THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

September 13, 1947

CHINA'S FOREIGN POLICY

AN EDITORIAL

Postscript To A Mission

Andrew Chow

The Gold Problem

J. R. Kaim

Everything For The Future

Chang Chen-hwa

ANTI-FOREIGNISM AGAIN

AN EDITORIAL

VOLUME 107 PRICE CNC$6,000 NUMBER 2

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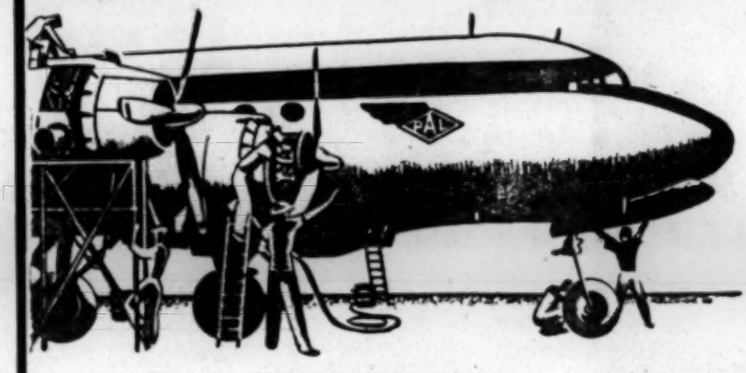

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Foreign Help

To The Editor:

Extreme inferiority complex is a thing no less poisonous than extreme superiority complex, and if a man clasps it to such a fantastic degree as to negate himself, it is doubtful that such an unpardonable lethal blow, issued physiologically and psychologically to his fortune and success can be cured by another's help. For anyone who has lost confidence in his own strength will lose all of himself and remain nothing but a corpse. Can doctors and drugs relieve and save the patient who has breathed his last?

In the August 9 issue of the *Review*, we read a letter by one, Mr. Hsueh, who cursed the "merciless, cruel and traitorous Communists," condemned the "corrupt, weak and useless Government," and said that "Britain, USSR, France are all imperialistic countries!" In a word, he scolded everyone but the "tender, generous and liberal USA." He cried for U.S. "conditional help!" His thoughts and mental condition would be worthy of study for here is a typical example of madness, inferiority complex or a phobia. The anxious cries, the overdose of insinuation and the lack of appreciation of the parties and countries only exposed his cowardice and ignorance. He forgot the most important thing: the overwhelming force of the Chinese masses! We wonder why such a definite element and fact in 20th century China could be ignored by such self-righteous persons as Mr. Hsueh.

According to his suggestions, the measure (of help) the U.S. must take (or give) is not to be conditional, but unconditional. He cries that China needs U.S. economic and military(!) aid tremendously. The Chinese Government, he says, should contain a great many U.S. officials. There should be U.S. judges and juries in our high courts. What would be the result? He answered himself in his own letter: Only a "traitor" would suggest such a plan to put "an independent (?) nation" under the supervision of a foreign country! But Mr. Hsueh said that this is the only way to avoid corruption! Is Mr. Hsueh indeed so stupid as to think that there is absolutely no other way to save our own country, except by begging U.S. donations? But what is helpful when the U.S. favors all out aid to a country where the people's confidence in their own strength is dead and they become only poor, dependent parasites?

Such shameful thoughts, I think, may make even a conscientious and progressive U.S. citizen laugh. Of course the Americans know that they are incompetent to shoulder all the heavy burdens of a country thousands of miles away, where the area is about 50 percent larger and the population four times larger than in their own country.

We have no relations with those corrupt officials and bureaucrats. Mr. Hsueh has prepared in advance those caps for anyone who may be coming up against him. But a conscientious Chinese cannot read it silently. We shall emphasize again that we do not take the stand of anti-foreignism, nor do we deny the fact that the U.S. is a friend of China and may, perhaps, give us constructive help. But such help should not be limitless, and

THE CHINA WEEKLY REVIEW

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(Editor & Publisher, 1918-1947)

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the major part should be shouldered by the Chinese.

It is useless to say more words to Mr. Hsueh. That he dared to write such a dangerous, shameless and traitorous letter, to point out his fantastic self-depreciation, extreme cowardice, laziness and ignorance is enough. In times, such as now, when human beings have advanced to ideas of "world equality," we are sorry to find such silly, reactionary and slavish words as have been criticized above. However, as this Mr. Hsueh so worships Americans, we will advise him with an American slogan: "Rely *chiefly* on your own efforts! Do not rely *much* on the help of others!"

EVER HIGH YANG.

Shanghai,
August 31, 1947.

Beware!

To The Editor:

This is my personal reaction to D. Y. Lanne's article, "An Earlier Failure" in the August 2 issue of the *Review*, about the flat failure of the Allied, alias American, Siberian Expedition in 1921 to boost the untenable Kolchak rule in Russia and nip the rising Communist movement in the bud; and also to the *Ta Kung Pao's* New York Correspondent, Miss Yang Kan's article on "From the Truman Doctrine to Marshall's Economic Plan for Europe" in the July 26 issue of the *Observer*. Both of these articles give abundant evidence of the folly of America's foreign policy then and now.

The Siberian Expedition gave Soviet Communism the much needed initial impetus to its initial ascendancy in Russia then, while the latter is putting the final touch on Communist stability and solidarity throughout the world through the Truman Doctrine. The Marshall Economic Plan for Europe is sectarian in spirit and in deed and its manifest objective is American foreign trade dominance in Europe, to divert the impending economic depression transpiring in America, to displace Communist control of Europe and to install a "U.S. Empire" in Europe as advocated by Henry Robinson Luce's *Life*.

Personal attacks are bad and in intolerable taste, but personal attacks for world peace are not only commendable, but permissible. We have an expression in China which says that "once a peanut goes stale or rotton is it inedible." Henry Luce, being a China missionary's son, is an upstart capitalist, so when his capitalistic ambitions run amok, they are unpredictable and an insufferable calamity to himself, his own country and the world at large. Let us wait and see that "he who laughs last laughs best."

In a letter to an old friend in New York, I said "if a burned child does not dread the fire" God Almighty is impotent and helpless. To wit, America is a young country, rich in resources, both moral and economic, thereby her too-headlong approach into national and international problems: vide her Taft Hartley anti-labor legislation, her merciless purge of U.S. Communists, her acting the cat's paw role for England in the two World Wars, and now her taking over Britain's role in the Balkans, Middle East and Far East to square away centuries old Anglo-USSR rivalries, thus preparing to fight the third World War for "perfidious Albion."

I am sure that there is enough handwriting on the wall for America to beware and beware with vigilance.

CHINESE JOHN THE BAPTIST.

Chengtu, Szechuen,
September 1, 1947.

High Court Again

To The Editor:

The *China Weekly Review* issue of June 7, has caused much interested discussion in

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New York and Washington; specifically, the article entitled, "The Shanghai High Court's Reply," as prepared by the Secretariat of the Shanghai High Court. Current opinion in Washington, as indicated in discussions with several State Department officials, is that "methinks he protesteth too much."

A New York columnist commented to me that the High Court's explanation of the Mysberg case carefully omitted any comment with regard to the several vociferous and Fascist interpretations of the Court procedure by the Colonel attached to the Woosung garrison. Apparently, the High Court does not desire to discuss the subject, although it is a matter of record in the proceedings.

The feeling among the many people interested in China is that such proceedings could have been better conducted with judicial fairness and due respect to the fair process of law. It is also felt that it is most unfortunate that it was handled this way at all because it has, with other incidents mentioned, caused such serious disruption of goodwill with China.

American cooperation and assistance to China certainly envisions reciprocal feelings of friendship, law and order and fair play, which, apparently, neither the High Court nor the Woosung Garrison are in accordance with. These two groups have, of their own volition, created disruption in the good feelings and friendship which have existed between the Chinese and American people.

JACK.

New York, U.S.A.,
August 20, 1947.

Token Of Sympathy

To The Editor:

I think the most interesting and valuable articles in your paper are the Letters from the People. After the closure of the *Wen Wei Pao*, the common readers have no place to express their sentiments except in the kindly allotted space of your *Review*, which I as a reader really appreciate very much because in such letters I see the only true opinion of the people, so rigorous is the strangling of public speech and so complete is the monopoly of the press by the Kuomintang. I think, therefore, you would do exceedingly well by simply turning some of the more important letters into regular articles if permissible.

In your August 23 issue, I notice with sympathy that Mr. F. K. is deprived of the privilege of reading your valued paper on account of a shortage of money. As he is teaching at Kiukiang, 30 miles only from Wuhsueh, down the Yangtze, I have the idea of offering him my copy of the *Review* for reading first, if he would promise to send it to me regularly not later than three days from the time of receipt.

By this arrangement I lose nothing, and he need not feel any obligation to me. I hope F. K. will consider my offered service perfectly natural as a token of sympathy towards an underpaid teacher. Would you be good enough to change my address to his in mailing the paper hereafter?

P. C. C.

Wuhsueh, Hupeh,
August 29, 1947.

Anthology

To The Editor:

I read with considerable interest the review of "China's Destiny" by D. Y. Lanne in your June 28 issue, and his letter in the August 2 issue. However there is one thing he does not mention. Either he forgets or purposely omits, I do not think he actually is unaware, that "China's Destiny" like most lectures given by President Chiang, was not written by

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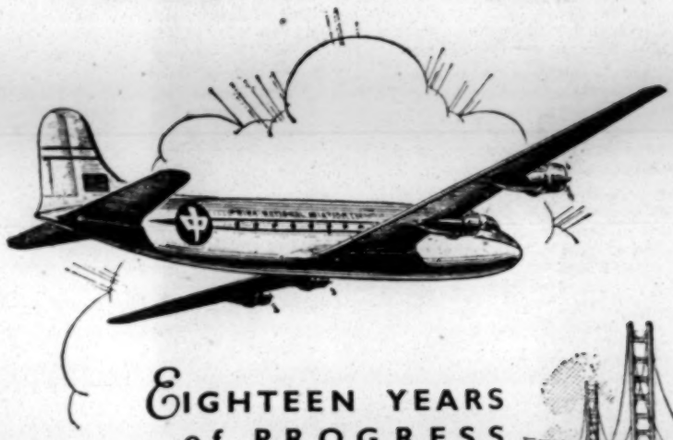

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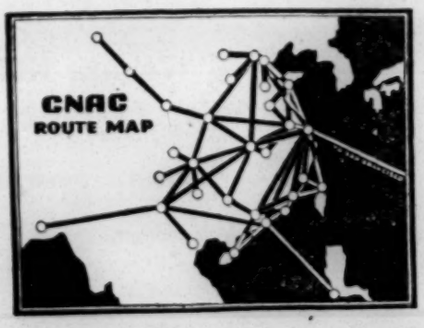

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himself, but by a number of literary politicians, mostly I think by Mr. Ch'en Pu-luai, President Chiang's private secretary.

The book is not a systematic expounding of theories and doctrines, but rather a collection of papers by different authors put together finally into chapters by the smooth pen of Mr. Ch'en.

P. G. WANG.

Wuhsueh, Hupeh,
August 28, 1947.

Students Appeal

An appeal to the local vernaculars and news agencies by the students of Utopia, Hangchow, Great China, Kwang Hua and Shanghai Universities, Nantung Academy and China School of Journalism.

We, the unreasonably dismissed students of the above-mentioned seven institutions wish to take this opportunity to appeal to the Press and the public and to make known the truth of the incident as well as negotiations conducted so far.

We hope it will help us to succeed in reinstating our rignts to pursue our studies by re-entering our respective schools.

The facts and conditions of the different schools are enumerated herewith for the kind perusal of the Press and News Agencies:

1. *Utopia University*—

On July 13th, the school authorities issued a kind of "compulsory transference" letters to the parents of about 100 students. These letters are classified as (1) the so-called "Order of the Ministry;" (2) ring leaders of the students' strike and (3) participants in the strike. Those students released after their capture on May 26th received letters of the first classification. Mimeographed letters of the second and third classifications were sent to students marked C or B in their deportments.

The reasons given by the School Authorities for the dismissals are: the minorities falsely used the name of the self-governing body to interfere with school administration and to instigate strikes; stimulated a strike on June 10th; and not concentrating on their studies.

However, the administrative reform was demanded by the whole student body and the strike was called by the students' meeting as well as the meeting called by the class representatives. We have for proof documents signed by 1300 schoolmates. The students' self-governing committee came into being through election under supervision of school authorities. As to the Strike of June 10th, it was called in order to rescue the 11 captured schoolmates.

The school authorities blamed us for not concentrating on our studies, but we have proof that most of the 83 students who received the above mentioned letters have good marks on their report cards in the previous, as well as last, terms. Some of us were and are classed as "excellent students." We have for proof the report cards of all the 83 students.

On July 17th a meeting of the unreasonably and compulsorily dismissed was held in the school to consolidate our efforts to regain our right of studying. We determined to let the public know how our educationalists are handling education. At the same time, representatives were sent to the school to ask the authorities to withdraw their order, but of no avail. On July 31st a Parents' Committee was organized. Eight representatives were appointed to call on the President of the University and the Mayor, but the President twice refused to see them. They were, therefore, compelled to write him a letter.

On the other hand we paid a visit to our Professors, they unanimously disapproved of what the school authorities had done. We have recently launched a movement by signing up the whole student body for the support of the dismissed students. Our schoolmates also decided to refuse payment of their tuition if the school authorities fail to withdraw the order.

The dismissed students include officials of the self-governing committee, the students' aid committee, the students' cafeteria, the class representatives and officials of Utopia Photo Club.

2. *Hangchow University*—

This University has her proud past in the educational circle, but history cannot conceal the shame of the present incident. Just look at what the President Lee Bay-Un has done. There are 600 students in our University at Hangchow, but very few efficient teachers. Most of them received their diplomas only in the near past.

We have very scanty equipment in the laboratories and the library is very poorly stocked. To quote one of our teachers; "The laboratory equipment here is certainly far better than in the middle schools."

As to the curriculum, it is utterly spoiled. For instance, after two-thirds of the term had passed, the Professor of Finance remained unseen. During the remaining one-third of the term it was changed into Investment.

You can hardly dream of the school administration. During the strike of last term there was not a single responsible staff member in the school. If the students have some questions to ask for explanation, the one who is in charge will simply reply that he cares for nothing else than the business of students asking for leave. As to the School Administrative Committee, some of the professors simply know nothing, and they don't understand where the final decision comes from. We

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—*Samuel Hopkins Adams*

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have a school bus, which is only the equivalent of the President's private property. The students have not the privilege of using it. Last term some students were accidently injured by an automobile. A request was made to use the school bus to convey the injured students to the hospital. The school authorities flatly turned down the request by saying that they were not responsible.

At the same time, the point system is as follows:

A (91-100) every credit has three points
B (81-90) " " " two "
C (71-80) " " " one "
D (61-70) no points
E (51-60) Lose one point

Every freshman is dismissed if his average point is less than 0.5 Every sophomore is dismissed if his average point is less than 0.65. Every Junior is dismissed if his average point is less than 0.85.

Here we would like to show some equations to prove that the point system is unreasonable:

Marks	100	81	60	40	30		
Credits	3	3	3	3	3	15	
Points	9	6	0	3	3	9	average is 0.6
Marks	100	80	60	40	30		
Credits	3	3	3	3	3	15	
Points	9	3	0	3	3	6	average is 0.4

It is very clear that a difference between 80 and 81 will cause the failure of a student.

From July 16th, the school authorities sent out report cards in four batches; some students were asked to quit school for instigating strikes, bad grades, and bad deportment.

On July 27th, the Anti-Unreasonable Dismissal Federation of Hangchow Univ. was organized. At the same time we appealed to the missionary and our ex-American president. Now the majority of students of St. Johns' and Soochow Universities are supporting us.

3. *Great China University*—

The Great China University authorities took advantage of the fact that students were separated during summer vacation to compel 11 students to quit school; eight of the students were on the so-called black list. Four students were forced to write a confessional letter.

Soon the administrative committee decided that 103 students had to leave school, 153 were not promoted for failure in their studies, 141 students were warned and 49 students were to be punished because they did not attend the final examination.

But we would like to point out that the school is responsible for its students' conduct and scholarship.

Our schoolmates are now organizing a federation and a supporting committee. Recently another 20 students were punished by the school authorities.

4. *Kwang Hwa University*—

At the end of July, the school authorities sent out a batch of 130 report cards and notifications; 15 students were dismissed with no reason given. Here is what the letter said: It was decided in the 22nd Administration Committee that the student named so and so need not come to school from to-day. Some 10 students received letters of warning which said: Not concentrating on studying and engaging too much in students' activities. And about 100 students received letters stating their failure in their studies. We want to point out that dismissal of students without reason is illegal, and most of the statements made by school authorities on the grades of the students are untrue, which we can prove by the report cards of their previous terms.

We are now planning to write to General Wedemeyer.

5. *Nan Tung Academy*—

Seven students, four of them girls, have been dismissed this time; they are blamed for their speech and deportment. They were asked to quit school because the academy is going to move back to Nantung where military control is in force. But these students got an average of 70 in their grades and some got 80 or more, all of them are officials of students' bodies.

After the dismissal of seven of our schoolmates was made public, we went to see the principal who told us it was not yet decided. But on July 28th, letters were received, so we went to the principal again who told us we have no rights to ask for that. Then the parents of the seven students called on the principal, they were however received by the dean who told them a lot of the difficulties of the school. The parents pointed out two difficulties of the students (1) As there are no such courses as weaving and dyeing and chemistry in other universities, it is impossible for the students to transfer to other schools, at the same time these seven students are all junior and senior students, (2) The school authorities promised the students they could return to school after they had changed their mode of living but the parents wanted the principal to indicate the degree of change required. The parents returned without a substantial result.

After several days the seven students visited the dean again who blamed them for instigating a strike, but in reality there was never a strike in our academy. He also indicated that it was in accord with an order from the Ministry of Education.

We and our parents are still very determined and will never stop until we are able to go back to the school again.

THE STUDENTS.

Shanghai,
August 25, 1947.

Waste Of Time?

To The Editor:

Really, I don't know why I am renewing my subscription to your paper for the articles in it are of definitely inferior

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quality, the News of the Week is very indefinite and vague, and your attitude to the U.S.A. is not so hot.

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T. M.

Sinsiang, Honan,
August 11, 1947.

Like Poison

To The Editor:

I read your article "Canton Solves Trade Problems with Profit" in the August 23 issue of your *Review* with deep personal interest and wondered how the moral turpitude of our Government could have made it so devoid of common sense, to say nothing of its moral sensibilities. I hope Wedemeyer's conscience is trainable so that the Truman Administration won't decide to "jump from the frying pan into fire" again. One of my former military students here, now the Chief of Staff in a certain division, wrote me of his vacation in his native town, Canton, and of the degrading political atmosphere there in a fourword characterization, namely, robbery, thieving, kidnaping and cheating, now rampant and unprecedented in Canton. What do you know about that!

Today is Confucius' Birthday. I hate Confucius like poison; the intention of my writing letters today, one to you, one to my beloved student in Canton, is in order to cultivate my hatred for Confucius—a sham and hypocrisy.

CHINESE JOHN THE BAPTIST.

Chungking, Szechuen,
August 27, 1947.

More Reforms?

To The Editor:

Ever since the information minister revealed that economic and political reforms will be the "number one news stories in China during the next few months," a veritable deluge of reforms have been witnessed. In fact, everybody is talking about reforms since General Wedemeyer left China and said that reforms were necessary. It seems that no one was aware of this necessity until a foreign general pointed out this secret.

Among the reforms cited by prominent government officials are: "the new constitution, new exchange rules, revised foreign trade regulations, nationwide anti-corruption campaign and reform of hsien governments." The National Economic Council has resolved to sequester Chinese assets abroad and levy a property tax. Premier Chang Chun declared that the "forthcoming elections" should also be classed in the reform category. General Wu Teh-chen added that the improvement of the Civil Service and the larger number of convictions of officials for corruption after the war, tend to show that reforms are being implemented.

All these statements on reforms were hailed and acclaimed, but if we examine them one by one, it will be seen that these new drastic and far reaching reforms are nothing but old saws. Take the new constitution: where is it? Take the new exchange regulations: they are the newest, but not necessarily new. Take the anti-corruption drive: isn't that the New Life Movement under another name? Chinese assets abroad and the levy of property tax: have we not heard of this before the War of Resistance? The improvement of the Civil Service: how is this manifested? The larger number of convictions of officials for corruption: does this not signify above all that corruption has increased?

Some people, including those mentioned above ignore the fact that it is not in the nature of some people to reform. How can you straigthen a hunchback?

In the shout and clamor for reform, one voice has been shouted down and ignored: Maj. Gen. Ching Ju-chi, deputy director of information for the National Defense Ministry, suggested that the "government's best weapon against the Communists is to implement a program of agrarian reform." This land reform, which is the crux of the Civil War, has been forgotten by all the high placed officials who have written and spoken of "reforms" recently. General Ching may not mean what he said, but thus far he seems to be the only honest man of the lot who expanded on reforms.

I think the sincerity of the Government to reform itself must always be judged in this way: how about the land reform? Because China is still a semi-feudal country, it's no use talking about anti-corruption drives and political reforms: first the economic reform should be achieved through land distribution as ordered by Dr. Sun Yat-sen. "Land to the tiller of the soil!"

I am watching the reform stories to see whether this land reform will also be a number one story in the next few months, as promised by the government.

Y. F. S.

Shanghai,
September 10, 1947.

Dirty Linen

To The Editor:

Glancing at the *Review*, one is liable to be puzzled by the expose of Chinese drawbacks in the majority of the letters and articles. The most nonsensical thing is that most of the writers are Chinese.

中央信託局

THE CENTRAL TRUST OF CHINA

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Any writer before putting things into black and white, must consider a little. He must realize that his role is merely confined to introducing the civilization and culture of his country to the foreigners so as to promote closer relations between his country and theirs. It is absolutely foolish for him to debate the shortcomings of his country before foreigners.

Obviously, the so-called cardinal virtues no longer exist in China today. What the Chinese people should do is to try to revive and maintain them, but the revival can never be achieved by mutual scolding before the foreigners — in foreign magazines.

I wonder whether these writers understand the famous Chinese proverb, "washing dirty clothes at home?" I am ashamed of their acts which serve nothing, but bring disgrace and humiliation to their country.

Maybe, I guess, their doing so is just to display their knowledge of English. If so, I would like to say: "Your English is very good, but China is much more important."

OU CHIEN HSUNG.

Kweilin, Kwangsi,
August 27, 1947.

Moral Integrity

To The Editor:

I have just read your editorial "Rape Cases and Rape Cases" in the June 28 issue of your *Review* and would like to say something about it.

Boiled down to its essential, that editorial seems to say that because four Chinese soldiers raped a Chinese girl without getting any punishment, the American who did the same should be released. It is very common to find people finding fault with others so as to excuse their own. However, I can't see any logical connection between the rape case of Douglee and the justification of not punishing Pierson.

Raping is, for certain, criminal. The four Chinese soldiers not punished for the rape case of Douglee means they have a corrupted government which does not provide protection of her citizens or bring vileness to justice. Similarly, Pierson's rape case shows the neglection of the law of the U.S. Government as well as the low moral standard in that country.

I, as a Chinese, am not only sorry for Miss S., but also for the Americans whose reputations were greatly affected by Pierson whose conduct was made known to the whole world. The writer of that editorial, appearing to be an American, seems to have been very angry with the Chinese reaction of Pierson's case and tried to plead for his compatriat with the Douglee case. He wrote very unfairly against Dr. Hu Shih and Chinese women, but by doing so, he simply betrays himself.

One should maintain his moral integrity and reason instead of using emotions. There is nothing to rejoice about in either rape case; both show the low moral standard of the respective countries. There is nothing for an honest and upright man to be happy about.

I write this because I have some respect for the *Review* and I am sorry to find its editors so blind as to make such a gross illogical error in their moral judgments.

HSU TAO CHING.

Midlothian, Scotland,
August 18, 1947.

Know Thyself

To The Editor:

Criticism, constructive or otherwise, is not welcomed by the Chinese. The expression of criticism is a diplomatic art in China. One of the chief obstacles to China's progress is that we seldom admit our mistakes or blunders. Not only do we not try to rectify our wrongdoings, but we frown on any constructive criticism even though it may be life saving medicine for us.

One can analyze the minds of Chinese by studying the Government's attitude towards Lt. Gen. Wedemeyer's departing statement. Instead of swallowing a dose of bitter medicine for our own good, our officials turn around and say General Wedemeyer does not know China. Does this kind of white washing do China any good? Deep in their hearts they know better.

"'Stick to the point" is not the Chinese way of thinking. In order to accomplish his objective, an advisor must turn around in a large circle and raise the fault doer to heaven before giving any constructive criticism or otherwise his good will is totally ignored.

One of the chief reasons why Lt. Gen. Wedemeyer is being ubiquitously criticized by Government officials is that prior to his departure from China the General pointed out that China should liquidate Chinese assets abroad as a means of relieving the Government's financial difficulties. We should know that holders of such accounts abroad are top Government officials themselves, who keep their accounts abroad secret lest the Chinese public bombard them with questions as to how they amassed such huge fortunes.

A mortal wound to the hearts of Government officials was General Wedemeyer's statement on inefficiency and corruption within the Government. Would top Government officials admit their inefficiency and corruption. Would they examine themselves and repent? If they did, China would be greatly blessed.

"Know thyself," is an old Confucian doctrine. How many Government officials know themselves? Until they do China will show little improvement.

LEE YEE-YUEN.

Shanghai,
September 5, 1947.

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Push Or Pull

To The Editor:

I am the principal of a school for Overseas Chinese in the center of Overseas Chinese homes, Tsinkiang, Fukien. For the past year I have devoted myself to educating the Overseas Chinese children. I remember when I studied at school, my teacher told me that "education may push society," but now, being a teacher myself, I rather think that "society pulls education."

There has been a rumor rife in Nanking that if the US dollars and gold in Tsinkiang were spread out they would cover the city. That is an exaggeration, but true to some extent. When the Overseas Chinese returned home, people called them "Huankur." Sedan bearers, innkeepers and porters all charged them high prices. When beggars gathered around to sak their charity, the so-called "Huankur" spread fapi in the air to make fun of the beggars.

The majority of Overseas Chinese are not well educated so they are prone to superstition, and waste billions of dollars on such practices as "pu-du" (sending ghosts away,) and "Ying Shen Sai Wui" (giving thanks to Gods,) etc.

As the people in Tsinkiang are pugnacious, many quarrels and fights often occur, and this wastes more money. Since most wives of Overseas Chinese have led luxurious lives they wear gold decorations on their hands and heads to show their pretentions.

Commodity prices here are the highest in China. For instance, a catty of pork costs CNC$20,000 and a catty of rice CNC$3,000. We teachers of middle school, living on our salaries, cannot afford to support ourselves, let alone our families. The so-called "Huankur" who waste billions on their superstitions and family quarrels pay little attention to education. This is a great pity. Although I have tried to lead them in the right direction I must say I am greatly disappointed. Therefore I write this article to call the Government's attention to our plight.

WANG TING FENG.

Tsinkiang, Fukien,
August 28, 1947.

IMPORTANT NOTICE

THE *China Weekly Review* will not publish anonymous letters in these columns. Every letter intended for publication must bear the writer's NAME and ADDRESS, for the information of the editors. In cases of group petitions, statements or announcements, the letter must be signed by a responsible official or delegate, likewise for the information of the *Review*. If it is specifically pointed out that the author wishes to have his letter published under an assumed name, or his initials, this will be complied with, and his identity will not be divulged. However, as said above, in all instances must the *Review* be aware of the identity of the writer if he expects to see his communication appearing in these columns.—*EDITOR.*

Cross Of Passion

To The Editor:

After reading Overseas Chinese Sufferer's letter in the August 30 issue of the *Review* we were very deeply impressed. It seems that in the midst of this 20th century, we Chinese are indeed doomed to shoulder "The Cross of Passion!" Whether or not Overseas Chinese Sufferer's views are biased, it is a fact that the poor and deserted Overseas Chinese, between the Dutch oppressor and the Indonesian Resistance Forces, are encountering tragedy and unprecedented slaughter and agony.

While we sympathize with the Indonesian Independence Movement and realize that they have reached a time of national self decision, we are very sorry about their ignorant and purposeless revenge, and the atrocities meted out to noncombatant foreigners, especially the Chinese nationals. Here in our home country, we prefer to put the main responsibility and blame on the National Government, which lacks the diplomatic ability to deal with such a troublesome business. The worst of it is that at international meetings our Government representatives often take a stand opposed to the interests of the little nations which causes the latter to be very irritated with China.

We hope Overseas Chinese Sufferer will understand, or at least probe a little, the condition of the Indonesian mind. This as in the beginning of our own Revolution is the release of a people after hundreds of years of oppression by cruel foreign imperialists. I beg you to tolerate with great patience their stupid and blind actions and do not be so lacking in foresight as to take the same stand as the reactionary and backward Dutch imperialists.

Lastly, we shall gravely warn our Indonesian friends. In your Independence Movement you have caused much trouble among the innocent Chinese people who may stand on the same side with you in your War of Resistance. If you are so stupid as to continue committing these unpardonable faults you may lose the sympathy of the 450,000,000 people in the Republic of China. That would be a most unfortunate thing for both of us.

EVER HIGH YANG.

Hangchow, Chekiang,
September 7, 1947.

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Anti-Foreignism Again

EVERY so often, reports appear in the press both here and in the United States treating of renascent anti-foreignism in China. Mostly these reports are exaggerated and expanded out of all proportion to their real worth and place in the news, but when all the evidence is sifted the phenomenon known as anti-foreignism among Chinese appears to have fairly solid foundation.

One of the most recent discussions of this problem appeared in an editorial of the *New York Herald Tribune* which said that "there is nothing that should cause surprise in the dispatch from our correspondent, Christopher Rand, reporting that right-wing politicians in China may start an anti-American campaign." This is merely a forewarning of possible events to come, but we have seen how such campaigns have been conducted in the period since victory over Japan. This feeling seems to come in surges, its ebb and flow determined by apparently insignificant incidents. However, the fact that this feeling is latently present and is ever liable to spread on a nation wide scale on such occasions, calls for a review of the part the foreigners in this country have been playing in making this anti-foreignism a success.

If a rape case, such as aroused nation wide anti-American sentiment some time ago, were to occur in the United States or any other country, there would be the usual play up of the event in the papers, but definitely no demonstrations and parades. Killings likewise, normally, do not incite crowds of people to shout anti-what-ever-may-be slogans. But it is evident that the situation in China being what it is, the usual behavior of individuals, especially foreigners, should be reconsidered and analyzed.

In recent weeks there have been a number of cases involving Americans which, although they have not as yet aroused nation wide protest, have added to that latent feeling of anti-foreignism imbued in the Chinese people through years of foreign domination.

The prank drowning of two Chinese in Nanking by an American serviceman, the participation of a U.S. corporal in the murder of Chinese broker Yu, apart from being disgraceful, must be considered as pouring oil on the fires of anti-foreignism, and anti-Americanism above all.

There have been numerous reports of the shooting of Chinese by American Marine and Naval sentries in Tsingtao and Peiping, the doing to death of a prostitute in Tientsin by MPs, the pushing of a Chinese woman into the Haiho, beatings of pedicab and ricksha coolies and other incidents of this caliber. These cases, unlike the two in Shanghai, where the suspects were legally prosecuted, cannot and should not be judged on their legal merits and possibilities. When these reports appear in the Chinese press, the reader is less apt to consider the legal aspects of the case than the fact that it is a foreigner — an American—who is involved.

Outrageous conduct on the part of local MPs has lately come to our attention. The MPs stationed at the Broadway Mansions whose duty it is to check visitors and issue passes, tote rubber truncheons, although demonstrably one does not require a truncheon to do this job. The MPs likewise keep an eye on the traffic congestion in front of the mansions and are supposed to shoo off rickshas and pedicabs blocking the parking space. And here is where the truncheon comes in handy. Eyewitnesses have told how an MP bludgeoned the traffic sense into a helpless ricksha coolie in sight of all passersby, most of whom were naturally Chinese. When these eyewitnesses wrote strong letters of protest to the MP authorities, the offending individual was removed to another post: no disciplinary action seems to have been effected. Which is tantamount to condoning the action or at least intimating that it was rudely and unskillfully executed.

A letter appearing in the foregoing issue of the *Review* told of how a Chinese employee of a Government textile agency was refused permission to enter the premisses of the Navy Y with some American missionary friends, largely because he is Chinese. On orders from above—presumably the Navy—the Chinese constable assigned to keep Chinese out of the Navy Y, manhandled the gentleman in question. This incident is not to be misconstrued as merely one Chinese pitted against another: the orders had come from the Navy, who in this case resorted to the time tested method of earlier day imperialists of letting the "natives" do the job of keeping down their uppity ilk themselves.

It is time that we foreigners take stock of our efforts and contributions towards creating and keeping alive anti-foreignism in China. This applies in particular to what's left of the American military forces in China, where the higher authorities should tighten discipline and supervise the general conduct of servicemen. In this case, prevention is worth many, many ounces of cure, though it come in the form of courtmartials and public trials.

Illegal Activity

ELECTIONS By Means of Force Banned In Kiangsi.—*Shun Pao.*

Kiangsi has always been in the forefront of the fight against such practices.

Letter From Saigon

(Editorial Correspondence)

Saigon (By Mail)

NO CASUAL visitor to Saigon, key city in the French-occupied portion of Indo-China, can hope to secure a very profound understanding of the questions involved. However, even a transient observer cannot fail to notice the many outward signs of a country in turmoil. While it obviously is oversimplifying matters to say that Indo-China today is the scene of a struggle between the native peoples who want freedom and self-government, and a colonial power which desires to restore the prewar status quo, this actually is pretty close to the truth. This is the fundamental basis of the struggle, of course, with several additional factors which complicate the issue and, at times, partially obscure the fact that the day of colonial rule of the East by the West is about over. For some time to come, the West may keep Asia in economic bondage—and dominate it politically and militarily — but absolute domination of the Easterner by the Westerner is a thing of the past.

This basic truth is today being demonstrated most forcibly in Indo-China and Indonesia, while in India an independence of sorts has already been won. Ever since the French began to reoccupy Indo-China following V-J Day, there has been native resistance. Agreements have been made and broken, fighting has flared and waned. Few neutral observers would care to predict the immediate outcome of the Indo-China "war," but most are agreed that there will be more agreements, more fighting, more agreements and more fighting until a compromise is at last made which, while not satisfying either side, will be accepted by both. Present indications are that it will be the French who will in the end be forced to concede more and more.

It is the French who are suffering the most. Exports are practically nil, policing of cities and lines of communications requires troops and costs money. French enterprises, such as plantations, mines and industries are, for all practical purposes, inoperative. Meanwhile, the Annamites, Tonkinese and other native races live in the interior in much the same manner as usual. True, they are short of imported articles, such as cloth and other necessities, but they do produce adequate food and other essentials.

* * *

SAIGON is the center of Indo-China's Overseas Chinese population; about 300,000, it is estimated. Unlike Overseas Chinese communities in other Asiatic countries, such as Indonesia and Siam, Indo-China's Chinese population seems relatively free from embarrassing entanglements in the political or military spheres. Although here, as elsewhere in Asia, the Chinese immigrants have managed through their superior industry and ingenuity to gain control of most of the profitable lines of business endeavor, their hold on the economy is not yet so great as to arouse much in the way of native resentment.

The French, however, appear to be concerned over the situation. Whether they have any really valid reasons for this alarm, or whether, as some observers suggest, it is merely a device employed to confuse the basic issues, is of course difficult to determine. In French circles there is considerable talk to the effect that if the French pulled out of Indo-China, China would take over. To anyone conversant with conditions in China today the utter ridiculousness of such statements is apparent. Frenchmen also profess to be worried about the rate of Chinese immigration which to date is unrestricted.

* * *

MEANWHILE, life in Saigon presents an interesting contrast of luxury and wartime austerity. Since the surrounding countryside is "unsafe," little food comes in and Saigon's foreign population lives almost entirely out of cans—at least those who can afford such imported merchandise do so. Railway and other construction is delayed because of the steel shortage. The coal shortage prevents the revival of many industries.

However, there is no shortage of champagne and French perfumes, both of which are reasonably priced, in terms of U.S. dollars. One may drive about the city in American and European automobiles, swim and drink at the city's luxuriant club, dine in select French restaurants and dance to some of the best music in the East in the many nightclubs that dot the city. Occasionally, though, such activities are marred by a hand grenade tossed into a dance hall or onto Saigon's race track. At midnight, curfew begins and patrols of French and African troops are all that can be seen on the streets. Machinegun fire, and occasionally the explosions of mortar shells and grenades, can be heard. Residents report firing of one sort or another almost every night.

* * *

THE role America plays, or should play, in this situation is a subject of debate among American and other observers of the Far Eastern scene. Seemingly it also is a subject of debate in Washington, inasmuch as the American Government appears to have no policy toward Indo-China except one of indecision. Despite the poor opinion of America held by many of the native peoples of Asia, no one familiar with the American people or government can imagine that Washington approves of the methods employed by the French in their attempts to clap colonial rule back upon Indo-China.

Some observers feel that perhaps it is Washington's policy of checking Communism throughout the world which prevents the American Government from taking a stand on the Indo-China problem, since there is a communist flavor to the Vietnam movement. Others, however, take the view that this is just another example of how the American Government avoids the necessity of taking a stand on an issue by ignoring it for as long as possible.

In any event American stock is beginning to go down in one more country in the Far East. So far only the intellectuals among the Indo-

Chinese have begun to ask visiting Americans what is meant by the Atlantic Charter, the Four Freedoms, etc. Increasing numbers of Indo-Chinese, though, are also beginning to wonder why America "continues" to supply the modern weapons which the French turn upon them, because the French, using Lend-Lease equipment which, incidentally, is recapturable under our agreement with the French Government, have let it be known by implication that the reason they have so much American equipment is because they have American backing in their attempts to subdue the native peoples and replace upon them the feudal yoke of European colonialism.

* * *

WHAT the future will bring no one can predict, except that probably the Indo-Chinese have years of struggle ahead before they attain the independence to which all peoples are entitled. What form of government they eventually will achieve also is a matter of speculation, although the longer the French try to maintain their position and the longer the American Government—theoretically the chief exponent of democracy—declines to take a stand on the Indo-China problem, the more likely it will be that a battle hardened communist core will develop in power and prestige. The opportunity to foster democracy as Americans know it and practise it exists now. How long the opportunity will continue to exist is anybody's guess.

The Lineup

PREPARATIONS for the forthcoming national elections here are now in full swing. It is learned that Chen Kuo-fu, KMT veteran, and Chien Ta-chun, former Shanghai Mayor, have decided to run for the elections as National Assembly delegates of this city. Others who plan to participate are T. V. Soong, Tu Yueh-sen, Pan Kung-chang, and Fang Chih.—*Lih Pao.*

China's Foreign Policy

FOR the past year, Foreign Minister Wang Shih-chieh's handling of China's foreign relations has been severely criticized by several sections of the public, not to mention the denunciations which have come from certain quarters within the Kuomintang itself. While one has only to look at the diplomatic record of the two postwar years to see what a sorry figure China has cut abroad, it seems to us the height of stupidity to claim—even if only for narrow political ends—that it is all Dr. Wang's fault.

Our personal view is that Dr. Wang is an intelligent man who has done the best he could under extremely difficult conditions. His office has, upon occasion, taken stands which were untenable, issued statements of policy which were not logical and frequently maneuvered itself into quite ridiculous positions. However, critics of Dr. Wang and the Wai Chiao Pu should recognize the obvious fact that China's foreign policy as enunciated by the Foreign Office is not the personal product of Dr. Wang Shih-chieh. There are certain basic aims which China as a country has sought for many years, which, combined with the desires of the Knomintang and the Central Government, form the basis of China's foreign policy, regardless of who runs the Wai Chiao Pu.

Today, Dr. Wang is being carped at because of his "weak-kneed" stand against the United States over the Governing of Japan and against Russia over the question of Dairen and Port Arthur. Critics say that China should get tough and tell America and Russia to change their policies so that China will be benefited. Do these critics think that China today can *force* either of the world's two main powers to do China's bidding? How do they expect a government which has not been able, politically, economically or militarily, to solve a civil war suddenly to turn "tiger" and begin issuing ultimatums to various foreign powers?

* * *

THE Foreign Office's failure to change America's policy of rehabilitating Japan has been seized upon by certain sections of the press and other groups as an example of Dr. Wang's "incompetence." While we have been and still are opposed to American policy in Japan and think that China should also be dead set against it, we are not so blind that we cannot see why China's representative in Tokyo nods his head in agreement almost every time the American occupation authorities tell him to. If China were officially to oppose American policy in Japan, the already uncertain prospect of American aid to the Kuomintang would diminish all the faster. Japan is America's chief interest in Asia today and anybody who interferes with the "plan" for Japan courts retaliation from Washington. Therefore, the Central Government — whose continuance in power in this country depends to some extent on Washington's favors — is forced to sit idly by, watching the groundwork being laid for Japan's re-emergence as the dominant power in Asia.

China's foreign policy, in this instance, is dictated by the interests of the Central Government. Whether or not these interests are synonymous with the interests of the country as a whole, is, of course, open to question, with one's view depending upon where one sits politically. It is our view that while a policy of non-opposition to the United States' plan for restoring Japan might be considered expedient for so long as the Central Government thinks that substantial American aid for China depends upon such a course, the ultimate danger of this policy should be clearly recognized.

* * *

ANOTHER example of how conditions beyond the control of the Wai Chiao Pu shape the nation's foreign policy is found in the case of China's relations with the other countries of Asia which have large Chinese minority populations. While the question of China's policy regarding Overseas Chinese and the various problems, both for China and the host country, as well as for the Overseas Chinese themselves, is a very involved one which cannot be discussed here, the portion of the question which effects China's foreign relations with other Asiatic countries is pertinent.

China, at the time of V-J Day, became the leading nation of Asia and, with Japan defunct, theoretically assumed the position for which the Japs had so long struggled—the position of leading the rest of Asia. Today the country which aspires to lead Asia must first devote itself at the

very least to *helping* Asia's various subject peoples throw off the yoke of foreign colonial rule. Thus, if China desires to champion Asia—which it is logical to suppose she does—she must help the Indo-Chinese, the Malays and the Indonesians gain their political freedom. Further, she must help the Filipinos and the Siamese escape the economic bondage imposed upon them by the Western powers.

However, to date there is no indication that China can or will do any of these things. Latest example of China's inability to follow a foreign policy directed toward leadership of Asia is the stand the Government has been forced to take regarding the present colonial war in Indonesia. If China had been able to act in a fashion designed to promote the nation's best interests, both long and short term, she would have immediately lent moral and diplomatic support to the Indonesians. However, this was not the case. China immediately became entangled by the private interests of some 2,000,000 Chinese who live in Indonesia and who, because of their economic position in the country, have a vested interest in the continuance of Dutch rule. The Chinese who live in Indonesia have thrived under Dutch rule and today certainly own more of Indonesia's national wealth than any other group of similar size. From the Indonesian point of view, the Chinese colonials are second only to the Dutch as foreign exploiters.

We are not prepared at this time to say that either the Indonesians or the Overseas Chinese are correct in their viewpoints; the truth probably lies somewhere in between.

But, the fact remains that China, having at last freed herself from unequal treaties with colonial powers and escaped the possibility of herself becoming a colony in fact, has failed to assume the position of leadership of Asia. This is a failure future generations of Chinese will come to regret. Not only has China's prestige among other Asiatic powers fallen, but the day will most assuredly come when the Indonesians, the Indo-Chinese and the Malays will achieve the political freedom which China, the Philippines and India now enjoy. And on that day there will be no offerings of thanks to China for her help. More likely, that will be the day when the native peoples of Asia, unrestrained by memories of friendship and help from China, begin to solve the problem of huge Chinese minorities in their own way.

From an objective, long range point of view, it seems obvious that China's foreign policy toward the rest of Asia has not been wise. However, it is easy to see why the country has pursued its present stand. How could the Chinese Government repudiate 2,000,000 Chinese living in Indonesia, especially when some of them have been killed by the Indonesians? How could it repudiate the millions of other Overseas Chinese who are at present engaged in conflict with the native peoples in virtually all other countries of Asia? The Government simply could not do it. Ties of blood, plus the economic value to China of Overseas remittances, make it impossible for the men in Nanking—regardless of who they may be or to what party they may belong—to ignore the welfare of the Overseas Chinese.

THUS we have another example of how China's foreign policy is dictated by certain basic factors and how unfair it is for critics to place the blame upon an individual or an organization. While it is true that all countries frequently run into dilemmas in the conduct of their foreign relations, it seems that the problems China faces in her relationships with the rest of Asia are extremely contradictory in nature and most difficult to resolve.

Austerity Note

COMMENTING on the New Life Movement, the *South China Morning Post* asserted editorially that whatever will promote right thinking and right living is worthy of encouragement. In essence this calls for simpler living, the paper emphasized.

That this movement had taken deep root in this city is attested by the austerity injected into the birthday celebration of Tu Yueh-sen, civic leader and philanthropist, who staged the Show of the Century by inviting "the cream of Peiping stage players" to Shanghai. Top price tickets were sold for CNC$500,000 and the latest blackmarket quotation is CNC$3,000,000, according to the *Evening Post*.

Anti-Opium Campaign

ONE of the most gratifying reports of late has been the success of the anti-opium drive undertaken by the Chinese Government. Now the Shanghai Office of the Opium Suppression Commission has been established and this will undoubtedly signify that the clearing of the Yangtze area of this scourge will be consolidated still further.

The anti-opium campagin has a colorful history and as long ago as 1934 Generalissimo Chiang Kai-shek advocated the suppression of poppy planting within two years and uprooting of opium addiction within six. The various vicissitudes this country has gone through since that date explain largely why these time limits have not been adhered to. But now, it appears, a satisfactory stage in this drive has been reached and the vice eliminated, as far as the coastal areas are concerned. We hope that the Government will continue to pursue this policy with vigor in the future until victory is fully achieved over this enemy.

Pang Tsao-hsien, vice-minister of Interior, told a press conference that opium suppression has been hindered in the Communist areas where "the growing of poppy is not prohibited." This seems to be counter to the majority of independent reports both Chinese and foreign, from the Communist areas which assert that no evidence of extensive poppy growing is to hand.

Reports from Hongkong reveal an increasing quantity of opium seized in the colony in recent weeks. These reports assert that this increase of drug trafficking is due to a bumper crop of opium in Yunnan Province this season. Yunnan, being a border province, does not consider itself within the pale of Central Government law and has not been as lucky in the anti-opium drive as the Yangtze area. Other border provinces, such as Sikang, could well do with an opium suppression drive, for it is said that serious civil disturbances occurred there recently, bearing all the appearances of an opium dispute.

If stringent measures could be taken in the border provinces of China and the drug traffic

there prosecuted with a vigor similar to the anti-opium drive here, we believe that China at last would be rid of this scourge which as the vice-minister said, "is in some aspects more poisonous and dangerous than aggression and Fascist doctrines."

However, in spite of the incompleteness of the anti-opium picture as yet, we feel that the Opium Suppression Drive has been one of the most successful undertakings of the Central Government.

Requisition Of Assets

THE National Economic Council's resolution calling on all Chinese to declare their foreign assets and foreign exchange holdings within 30 days for the purpose of converting them into Chinese National Currency at the open market rate is admirable in itself, but contains a number of drawbacks which may, however, be ironed out in the future if this resolution is approved by the State Council and implemented.

Chinese assets abroad are said to be around US$500,000,000, comprising deposits in foreign banks, mostly American, in the name of individuals and firms. If this sum in United States currency is deposited with the Central Bank, the National Treasury will be richer by US$500,000,000 to use as it desires and the first drawback is that the figure is much too small to influence the local economic situation one way or another.

In this connection it has been said that the major portion of Chinese assets abroad consists of investments in going concerns and approaches the figure of US$2,000,000,000, although this cannot be confirmed. Whatever the figure, it is logical that Chinese holders of funds in the United States should have invested in profitable enterprises rather than keep them in the piggy bank. Therefore, a resolution which does not cover such investments but is only concerned with bank deposits and savings accounts is liable to fall far short of its mark.

Then again, the stipulation exempting wealth deposited abroad prior to July 7, 1937 ruins the entire plan because it is estimated that most of these investments were made before the outbreak of the Sino-Japanese War, and precisely in anticipation of this eventuality. Thus, the major portion of Chinese assets abroad is barred from participation in the present scheme.

On the other hand, as has already been pointed out by the *Shanghai Evening Post*, given anything like a fair chance, resources abroad would gladly come home. This is to say that unless there is some kind of inducement for Chinese assets to flow home they will never return even under the pale of the provided penalty of five year imprisonment for the offenders.

The best way to bring these funds home is to set up a highly favorable rate of exchange into CNC, for the case with these foreign assets is very similar to the flow and ebb of overseas remittances. Statistics prove that these remittances increase when the rate is realistic and go to Hongkong when it is not. Thus will Chinese foreign assets remain in the United States until such a time as conditions here improve. We venture to predict that coercive measures alone will not solve the problem of foreign assets abroad.

Although the idea of utilizing foreign assets of Chinese citizens for the reconstruction of the country is excellent, care should be taken not to defeat its purpose with over zealous resolutions based largely on threats. Almost in every field of human endeavor — in business above all — attractive conditions always achieve more than coercive measures.

25 Years Ago In The Weekly Review Of The Far East

International Obligations

September 16, 1922.

THE annual meeting of the American Society of International Law which was held in Washington during April was devoted to a discussion of the achievements of the Washington Conference, and therefore to a consideration of the problem of China. Mr. Elihu Root, America's foremost lawyer and an authority on international relations, referred to China as follows: "It is also clear that the continuance of the same inability to perform international obligations has down to the present time prevented the full admission of China to the circle of states governed by international law, notwithstanding her inclusion in diplomatic conferences and regular diplomatic intercourse."

* * *

Political Currents

ARE terrorism and capitalism going to follow militarism in South China? Hongkong within a month saw the murder of one employer and the fatal wounding of another in connection with local labor troubles. These took place before the question of the killing of five Chinese laborers by the British police during the seamen's strike last March was partially settled. Destruction of life and property by bomb explosions in Macao, sometimes as many as seven cases in one evening, has brought a feeling of terror among the Portuguese authorities and the Chinese residents of that port for some weeks.

10 Years Ago In The China Weekly Review

Apology Demanded

September 11, 1937.

KOKI Hirota, Japanese foreign minister, in a statement before 44 foreign correspondents in Tokyo on September 3, deplored the present hostilities in China, both in the north and in Shanghai. He added: "If the Chinese Government is willing to reconsider her past anti-Japanese actions and admit her faults, the Japanese Government would not hesitate to withdraw its troops from China and renew amicable relations with that nation." The situation in China," Mr. Hirota explained, "was brought about by those leaders of China who used the policy of resistance against Japan as a tool to strengthen the Nanking Government."

* * *

Terror in Peiping

THE Shanghai *Hsin Min Pao* published correspondence describing the terror, anarchy and confusion now reigning in Jappanese-occupied Peiping. The old capital has sunk lower than it had ever before since its inglorious capture by foreign hands 37 years ago. Shame grips the city in every guise, while death lurks from all unexpected quarters. With the steady infiltration of ronin and other undesirables into the city, opium dens have mushroomed overnight. Many people tired of Japanese persecution, have committed suicide by swallowing overdoses of opium which could always be had at these dens. Japanese troops are now stationed at the Temple of Heaven, Tiehszetze Hutung and Chitanssu Temple, the story states.

Gold: A Growing World Problem

J. R. KAIM

AT the beginning of this month, The Central Bank of China increased its gold buying rate from the very unrealistic level of CNC$480,000, i.e. less than US$13 per ounce, to the equivalent of US$40. Even this price was, and still is, below black market rates abroad, especially in other Eastern centers; at the beginning of August, an *Associated Press* report claimed that 377,000 ounces of gold, clandestinely shipped from Manila to Macao, were supposed to have been sold in the Portuguese Colony at the rate of US$51 per ounce. A few weeks later, reports from New York claimed that while the official gold price in the United States was still US$35, free gold was quoted as high as US$45.

These reports were denied by New York gold dealers who at the beginning of September stated that their price was not US$45 but US$42.75 and that at that price they were willing to accept any orders. But even Egyptian and Syrian brokers refused to pay US$42.75 because they believed that Peruvian gold is, or may soon be, available at US$40 per ounce, f.o.b. Lima. This would be the price quoted by The Central Bank of China.

Actual or alleged gold quotations, thus, are fluctuating between the official American rate of US$35 and the rather fantastic Macao quotation of US$51. But even if this latter price is unexistent and the Macao price is in reality only, say, US$45, a difference of US$10 per ounce is almost preposterous. It shows that something is utterly wrong with the world gold market and, therefore, with economies based and depending upon gold.

Intrinsic Value Low

Gold, as a metal, has but a small intrinsic value. Nor is its value based on rarity; platinum, for instance, is rarer. But there has not yet been found a better medium than gold for settling international balances of payment and when gold is not used for this purpose its value is but theoretical.

This was what British Foreign Secretary Ernest Bevin was hinting at when recently he told the Trade Union Congress that the United States should redistribute its gold hoard at Fort Knox. It does not matter whether or not this was Bevin's original idea. Nor does it matter whether he would have made the same suggestion if Fort Knox — and its gold—were situated on the banks of the Thames. What matters is the idea itself.

According to *United Press*, the proposal has been swiftly dismissed by a high U.S. Treasury official as "a cockeyed idea if I ever heard one"—but occasionally even high treasury officials may be wrong. For, what the Bevin proposal actually means is that the world must settle the balance of payments or chaos will increase.

Why are people in East Asia so eager to get gold and why are they willing to pay far more thanUS$40 or US$42.75 per ounce? Simply because they trust that gold, expensive as it may be at present, will be of "stable value" and because they trust that gold is a "real value." From a psychological point of view they are victims of a financial panic and qnite correctly prices far above those of The Central Bank of China have been considered "panic prices."

But China and other Eastern nations are not the only ones to believe that gold is now to be hoarded by private capitalists. Nor is the money inflation in China responsible for the people's eagerness to get gold; the example given below of Swiss reactions on the world gold situation shows that various reasons may lead to almost identical consequences.

Gold can buy almost everything in the world. But it cannot, by itself, settle the balance of payments as long there are heaps of gold piled up in one country whereas crumbs are the "reserves" of others. Nor can embargoes of any kind solve the problem.

Embargoes Useless

On the contrary, embargoes such as the one announced by Hongkong some time ago, only show that people are eager to get gold and that, probably, they will try to get it by illegal means. In other words, they will pay any price to obtain the metal which, they think, offers them economic safety.

Obviously, it is not the British suggestion that the Fort Knox gold be redistributed that is cockeyed, but the international gold situation. For not only is gold the means of *international* financial settlement piled up in only a few *national* banks, but regulations as to its buying and selling are widely diverging. The Swiss, for instance, who approve all international efforts to promote sounder currencies and assure stability of rates of exchange, have taken no action since Washington and London warned against dealing in gold above the official price. They may answer that while the United States Treasury asks its citizens and banks to refrain from facilitating trafficking in gold, it actually has not prohibited dealing in gold above the $35 price.

Some time ago, the International Monetary Fund addressed a letter to 40 note issuing member banks, strongly condemning the sale of gold to private traders at super-parity prices —but Switzerland has not signed the Bretton Woods Convention (Mexico has, and, at least officially, has reacted on the Fund's letter). In actual practice, the gold policy of the Swiss National Bank indeed does prevent private dealing in gold above the official parity and gold can be exported only with a license issued by the National Bank, to obtain which is now not as easy as it used to be some months ago.

Gold coins, too, are sold in Switzerland and, just as in East Asia, people in Switzerland, considered the soundest country economically, are paying too high a price. The 20-franc gold piece is sold for frs. 30.50 plus 4 percent tax, although its gold content is equivalent to only Frs. 28.80. But, despite the capital loss resulting from turning franc notes into gold coins, the turnover is amazingly high, reaching several million francs per week. In October 1946, sales reached a peak at Frs. 10,000,000 per week.

At the beginning of this month, however, the Swiss National Bank was said to have stopped the sale of gold and before the bank had issued any official statement, the open market price for 20 franc pieces jumped to Frs. 36, evidently, the very "bourgois" and sober Swiss were eager to obtain gold the very moment they feared it would no more be available freely.

The chief reason for such demand is that people with small fortunes remember the consequences of the revalorization of the Swiss franc in 1936: as in China they want to be on the safe side. Gold, they think, is safer than the dollar. They also remember the dollar devaluation and they know that even in America the dollar today buys less than in 1939 and far less than in 1932. And the dollar is losing in buying power despite the tremendous stocks of gold hoarded at Fort Knox. For, while many people still think that Gold reserves are *really* the foundation of currencies, they come to learn that hoarding of gold can help little.

The Use Of Gold

Gold, certainly, is not the real foundation of a currency. It is the means to keep a currency stable and also the means to settle the balance of payments. Therefore, in order to serve its financial purpose gold must be distributed. Probably, this would automatically stop the marketing at super-parity prices, the fantastical smuggling operations, the black markets in Hongkong, in Macao, and the world over. It would enable nations to settle their accounts, to build up sounder currencies, and to buy commodities on the world markets.

But it has been said that there is not enough gold—or not enough gold mined—to make it the standard of value of all nations. It has been said, for instance, that countries such as China and India can never obtain "enough" gold (in proportion to the number of inhabitants)—but such questions are of no practical importance at present. Other problems are far more up-to-date, for instance the question how—and why—in the Middle and Far East the demand for gold has been stimulated by the possibility of purchasing gold for blocked sterling and how—and why—the entire controvery between "the Sterling" and "the Dollar" has influenced the world's gold situation, and probably still continues to do so.

China, no doubt, is only one of the countries suffering from the prevailing state of affairs on the international gold market. But The Central Bank of China cannot solve the country's gold problem. Nor can China fight gold black markets in other Far Eastern countries. For the gold situation is "cockeyed" and can be solved only by drastic remedies. It may not mean so much that John W. Haussermann, the Philippines gold mind magnate, has backed Bevin's suggestion—for, when gold is the standard of value for all nations and the quantity of gold available still insufficient, its official prices would, of course, be increased automatically—but Hausserman was certainly right, when he said that gold should be sold to all nations at a fair price and on longterm payments at moderate rates of interest.

Some economists in various countries, including China, are said to be willing to accept bets that if the international gold policy remains unchanged, a general economic crisis is unavoidable. According to their views, the first symptoms will be over-production in almost all fields and a general shrinkage in world trade. And no international trade is possible without the foundation of internationally acceptable currencies; but to establish such currencies the prevailing gold policy must to be altered.

Shrunken India Enters Congress Tutelage

HARIN SHAH

(Special Correspondent, The China Weekly Review)

New Delhi.

HERE in the Rump, as we prefer to call India, the nation of 300,000,000 (pardon our overnight shrinkage!) is now preparing for a period of elected Congressional tutelage. Congress has completed the epochal fighting phase, the days of unquestioning, almost blind, devotion in return for manifestoes and pledges are over, and in order to maintain the confidence of the masses, Congress must deliver the goods.

Congress and India have just narrowly escaped another grievous menace of partition from 60,000,000 Harijans (so-called Untouchables). Their British educated leader and eminent lawyer, Dr. Bhimrao Ramji Ambedkar, for a number of years successfully led an anti-Congress campaign and threatened to demand a separate State for Harijans. Failing that he threatened secession from the Hindu society and conversion of his followers to Islam. One of his most enthusiastic supporters was Winston Churchill.

However, during the past six months, Ambedkar has made a rapprochement with Congress and flung himself bitterly against the Pakistani secessionists. He is now playing a prominent part in the Congress by writing a free constitution of the Republic of India, and has been sent to the Constituent Assembly on a Congress ticket.

Deep Seated Taboo

With a single clause, the Assembly has banished Untouchability, but it will take the combined might of the leaders of the Congress organization to uproot this deep seated taboo, especially in the countryside. This will be the test of whether Congress, possessing the power that it does, will go forward or lapse into practising favoritism and jobocracy.

Another thorny question in the Indian Union which still remains to be tackled by Congress is the problem of minorities. Everything possible must be done to forge a living social and psychological bond of nationhood and no disruptive social denominations must be allowed to thwart the cultivation of a common citizenship. The vexing question of Joint Electorates versus Separate Communal Electorates, of communal ratios in the Government services and armed forces, and such other matters, will require all the tact and statesmanship available.

Hindu-Muslim coalition cabinets in the provinces were the starting point of the Muslim League's secessionist campaign in 1937—the eve of the first nationwide General Elections which gave Congress ministries in seven out of 11 provinces—and that demand must be revived. Of course, Congress has earned the right of relief at the disappearance of British wire-pulling, but they will have to take note of the deep interest of Pakistan in the affairs of the Indian Muslims. A move is now afoot to draw up a common charter of safeguards for minorities which both Pakistan and India will guarantee.

States, A Problem

The States, these pockets of feudal anachronism, are another problem which may cripple India's progress. The majority of them have already joined the Constituent Assembly of the Dominion of India, but Congressional leaders still will have to exercise utmost discretion and diplomacy in evolving Indian solidarity, and, at the same time, actively pave the way for democratic rule in the States. A group of the larger States, led by three Maharajas and two Nawabs, (Indore, Kashmir and Travancore, and the Nizan and Bhopal respectively) are revolting and declaring their "independence" from the rest of India, upon the expiration of British Paramountcy on August 15.

Hitherto, the British agency of the Political Department of the Government of India used to order abdications and sanction enthroning appointments of Dewans and even arrange matches for royal spinsters. Now, however, some of them are suddenly seized with a thirst for "independence." Since the protection of British bayonets is being withdrawn, they believe they can evade the people's will which even now is annihilating some of the world's mightiest imperialists!

Nawabs Worried

Both Nawabs are in a predicament because their population is 80 percent Hindu, and the latter is clamoring to join the Indian Union. To do this, for these Muslim princes, would be forsaking Pakistan. The Maharaja of Kashmir is in a similar situation because his population is predominantly Muslim who would prefer to join Pakistan's Constituent Assembly. The Hindu State of Travancore, occupying a most vulnerable strip of India's southern coastline has discovered some thorium and uranium content in its sands and hence this state has also declared its "independence." If foreign powers can be prevented from meddling in these troubled waters, India is confident of dealing adequately with these revolting sons of the Sun and Moon.

Property and land interests and attachments are so interwoven between the Hindus, Muslims and Sikhs that the exchange of tens of millions of people between Pakistan and India has been dropped as impracticable. The task of drawing up boundaries between the two partitioned provinces of Punjab and Bengal has been left to a Joint Commission, failing which the British Chairman of the Commission will give his award. Both Muslims and non-Muslims have accumulated such untenable territorial claims, accompanied by threats, that trouble was expected when the award was to have been announced. It may be recalled that all three communities had earlier agreed to abide by the award whatever it may be.

Congress will have a further opportunity to redeem its past major blunders. Its predominantly Hindu leadership ignored the Muslim masses and left it to the few nationalist Muslims to work among them. Jawaharlal Nehru marked

the danger and during his term as president of the Congress in 1937 adopted a vigorous program of Muslim Mass Contact. However, this was sabotaged by the diehards, and now with the major surgical operation on Pakistan almost completed, Congress once again is presented with an opportunity to work boldly among the Muslim masses and fortify them against religious fanaticism and the resultant political fifth columnism.

Sikh Minorities

This brings us to the question of the Sikh minorities. The Sikh adherents of some 5,500,000 souls, concentrated mainly in Punjab, were the militant offshoot of Hinduism when the latter was prostrate before its Muslim conquerors prior to the arrival of the British. It is one of the few religions in the world which prescribes for its males to bear a dagger as the most inviolable injunction of Guru Nanak, (the founder of the faith). This militant community took a prominent part in the organization of a "Gaddar" (Revolutionary) Party early in 1904, while the Bengal Revolutionaries were looking after the Eastern Front. Many revolutionaries were obliged to go into exile and hundreds of them still live in California.

During the first World War, they loaded the "Kamagatamaru" with 1,400 armed revolutionaries from the U.S., and in a bid to liberate their motherland tried to break through the blockade of the British Navy, but they were intercepted and dispersed. These splendid soldiers hitherto comprised 15 percent of the Indian Army and contributed greatly to the transformation of irrigated Punjab into the granary of India. They have always stood by the Indian National Congress in the nation's fight for freedom but now, with the birth of Pakistan, their homeland would have been absorbed into the Pakistan.

However, they were successful in rallying the support of Congress and the Punjab was partitioned into predominantly Muslim West Punjab (part of Pakistan) and predominantly non-Muslim East Punjab (part of India), but the split within the Sikh community over the partitioning of Punjab becomes more and more evident because the partition has also divided the Sikh community, and a large percentage of Sikhs and Hindus remain in the Pakistan.

No Man's Land

Further to the north, the division of India has caused another problem of international interest. The Northwest Frontier Province of nearly 3,000,000 tall, sturdy Pathans is practically exclusively Muslim—96 percent. On its outskirts lies "tribal" territory inhabited by another 3,000,000 of the same race and forming a No Man's Land between India and Afghanistan. This tribal territory of the Pathans has been involved in continuous warfare since 1930, with the British employing tanks and aircraft in their attacks. The Frontier Province remained a great stronghold of Congress thanks to the leadership of "Frontier Gandhi," Khan abdul Gaffar Khan, alias "Badshah Khan." His Red Shirts' movement of the "Khudai Khidmatgars" (Servants of God) is a mass organization of Pathan people.

In both of the last General Elections, Congress swept the polls and formed ministries. In the last two years, however, the Muslim League's Pan-Islamic propaganda has made considerable headway in this Congress stronghold. In a recent referendum, which was boycotted by the Congress and where malpractices have been reported, half the electorate refrained from voting on the issue of whether to join Pakistan or India, but of the votes cast, the overwhelming majority was in favor of joining Pakistan. As a counterblast, the Pathans, led by the Red Shirts and Badshah Khan, are now demanding their own Sovereign and free Pathanistan—independent not only of India, but of Pakistan also.

This counter offensive against the League has gained new significance by the interest shown by Afghanistan "in the welfare of our brothers across the Durrant Line." In an official demarche on Britain and India, Afghanistan has invoked ties of blood, race and religion with the people of the Frontier Province all of them real. Showing concern for their future, the Afghan Government demanded that it also be allowed self-determination and this has coincided most sympathetically with the pro-Congress Red Shirts' demand for a free and sovereign Pathanistan, although there is no information available to suggest complicity.

British Rebuke

The British rebuked the Afghans for such unfriendly interference, but the Afghans have posted another demarche. Meanwhile, the sentiments of "Unity of Afghan people" living on both sides of the Indo-Afghan frontier—an Afghan Anschluss—have been flourishing. Four Afghan chieftains, who have been detained in India for the past seven years for plotting anti-British intrigues, have now demanded of the Nehru Government that they be released. They are also supporters of the campaign for a free and sovereign Pathanistan.

Critics of the Afghan maneuver have retorted that the U.S.S.R. might as well ask for an anschluss of people in adjoining Soviet territories and Afghanistan, as they belong to the same race! The Frontier Province, geographically, will be separated from India since it has a compact Muslim population. Congress doesn't feel that this will be any loss and silently supports the free and sovereign Pathanistan movement. Reports have come to hand indicating that the Red Shirts intended to set up their own Provisional Government of Free Pathanistan on August 15 when the Pakistan Frontier Province, was born. Meanwhile, the Red Shirts are campaigning for general elections in the province on the issue of Pakistan versus Free Pathanistan. This is just the beginning of a series of complicated developments. The Afghan Premier and former Afghan Ambassador to London have both left for the U.S.A. In Delhi, they conferred with the Indian Government, and in the U.S. the possibility exists that they may eventually approach the U.N. Meanwhile, without doubt, they will discuss the situation with American diplomats.

Finally, the Indian Communist Party, small in number with a large following of sympathizers, forms the shock troops of India's politics. I propose to deal with the Indian Communist Party in a separate dispatch. Suffice to recall here that the Party is working hard to wipe out the popular bitterness it earned during the 1942 "Quit India" movement when it took the side of the British. The Party is thoughtfully revising its policy so as to better meet the nationalist upsurge in the country. Drawing its cue, perhaps, from its Chinese comrades, it is endeavoring to assume a more and more patriotic shape and recapture the respect of the Congress masses. It seems to conform to the world wide line of pooling all nationalist forces against the Anglo-American crusade. What measure of success will be achieved by the Party remains to be seen.

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WHAT TOJO'S CELLMATES ARE THINKING

(Youth Leader Kingoro Hashimoto)

DAVID CONDE

LT. Col. Kingoro Hashimoto, fanatical prewar Japanese youth leader, now on trial with Hideki Tojo as one of Japan's most dangerous war criminals, still seeks to lead Japan's youth against "liberalism" and "individualism."

In an appeal "To The Japanese Youth Of A New Age," written from his Sugamo Prison cell, Hashimoto urges youth's "DEVOTION FOR THE CAUSE OF GOOD TO THE ONE ABOVE YOU" so that when the Third World War comes, "PEACEFUL JAPAN" will "BEGIN WRITING THE HISTORY OF THE NEW ERA."

Unlike Germany's propagandists, Goebbels and Youth Leader Baldur von Schirach, Hashimoto is relatively unknown in the United States, yet in Japan, he combined both their roles.

In the defendants' box today, dressed in a loosefitting, faded business suit, he looks more like an undernourished book keeper rather than the fire eating champion of aggression who frequently toured Japan, urging war on USA, Britain and Russia. In appearance, Hashimoto now bears no resemblance to the former bemedalled General, Supreme War Councillor, and leader of 25,000,000 youths, yet in his thinking Hashimoto is unchanged.

In his post-war appeal to Japanese youth, Hashimoto warns against "liberalism" and against those who during the war "DID NOT COOPERATE WITH OR OPPOSE THE WAR" but who "LED A SPHINX-LIKE EXISTENCE." Although they "HAVE NOW GAINED THE INFLUENCE" of the people, Hashimoto says they must be "WATCHED." "From the viewpoint of establishing a world civilization, the people in this class are the dross of humanity".

Liberalism In Vogue

Hashimoto continues: "NO MATTER HOW THIS LIBERALISM IS NOW IN VOGUE AND POPULAR, IF ONE MISCONSTRUES THIS DOCTRINE, SHOWING A TENDENCY TO INDIVIDUALISM, THAT WILL MEAN A RETROGRESSION OF MANKIND, DEGRADATION OF CIVILIZATION AND ALSO APOSTASY TO THE KAMI (GOD)."

Crusading against "Liberalism" has long been the weapon of Japanese Fascists. In 1941, in a book entitled "HOW TO REBUILD THE WORLD," Hashimoto states: "LIBERALISM MUST BE DONE AWAY WITH BECAUSE THIS IS THE FORM UNDER WHICH DIFFERENT INDIVIDUALS STRIVE TO MAKE MONEY AND GAIN POWER FOR THEMSELVES AND NOT HEED THE OVERALL WISHES OF THE NATION." In 1937, speaking of the "liberals" in the Imperial Diet, Hashimoto wrote: "THE LIBERALS WHO STAND FOR THE MAINTENANCE OF THE STATUS QUO...CRY ALOUD ...SPREADING ANTI-MILITARY THOUGHTS AMONG THE PEOPLE. WE MUST WATCH THEIR SPEECH AND CONDUCT CLOSELY."

Today, in similar vein, Hashimoto says: "THERE ARE ROARS AND CRIES OF LIBERALISM, IF YOU WATCH CLOSELY YOU WILL FIND A TENDENCY TO THINK THAT LIBERALISM AND INDIVIDUALISM ARE SYNONYMOUS....FOR THESE WE MUST BE VERY CAUTIOUS."

In the previously mentioned book, written in January, 1941, Hashimoto said: "THE WORLD IS FACING AN HISTORIC TURNING POINT BECAUSE THE SYSTEM OF MATERIALISTIC LIBERALISM HAS COME TO A DEADLOCK, ANY COUNTRY THAT SUCCEEDS IN ESTABLISHING A SUPERIOR NATIONAL STRUCTURE, WILL BE ABLE TO LEAD THE WHOLE WORLD."

War Between Races

Why Hashimoto desired this "superior structure" was revealed in 1942, the year of greatest Japanese victories. "CULTURE SHOULD BE IMPROVED AND GUIDANCE GIVEN (to the people of Asia) SO AS TO DEVELOP SUPERIOR RACES. THIS IS TO PREPARE FOR THAT GREAT FUTURE WAR BETWEEN THE WHITE AND COLORED RACES." Hashimoto's kind of "culture" was revealed: "THERE SHOULD BE FREEDOM OF RELIGION (in Asia), BUT CHRISTIANITY SHOULD BE DESTROYED STEP BY STEP, WHILE TENNO TEACHING (Worship of Hirohito as God) SHOULD BE DISSEMINATED AND THOROUGHLY INCULCATED."

Late in 1946, while on trial for his life, Hashimoto told the youth of Japan that he now advocated a "peaceful" nation with the objective of achieving a "single world peaceful state."

"THE HISTORY OF THE WORLD IS CHANGED BY WORLD WAR II....IN ADVOCATING THE PEACEFUL STATE OF JAPAN, WE MUST UNDERSTAND THAT THIS HAS GREAT WORLD HISTORICAL SIGNIFICANCE...THE PLAN FOR A PEACEFUL COUNTRY IS THE CREATION OF WORLD HISTORY...WHO CAN SAY THERE WILL BE NO WORLD WAR III? IF IT COMES, IT MEANS THE DOWNFALL OF MANKIND. THE PEOPLE OF THE WORLD IN PANDEMONIUM WILL GAZE ADMIRINGLY AT PEACEFUL JAPAN. THIS IS THE VERY TIME THE WRITING OF THE SECOND PAGE OF THE HISTORY OF THE NEW ERA BEGINS AND IT MAY DEVELOP INTO BUILDING A SINGLE WORLD PEACEFUL STATE."

Hashimoto's prewar writings reveal that he has long advocated a "peaceful world founded on moral principles, united under the Japanese Emperor." He once urged Japanese youth to "follow the road behind the Emperor," to achieve this goal, saying: "WE MUST BUILD THE WORLD FOR JAPAN'S SAKE, HEAVEN ORDERED JAPAN TO ACHIEVE THIS GREAT MISSION."

In his recent appeal to Japanese Youth Of A New Age, Hashimoto cloaks this same idea in pseudo-scientific jargon, saying the future scientific age is one in which the material and spiritual worlds meet to form a oneness that is KAMI. (The Japanese name for Hirohito as their supreme Shinto God.)

"AN AGE OF EXPANDING SPIRITUALISM WILL COME IN THE FUTURE WHICH WILL SHOW THAT SCIENCE AND SPIRIT ARE THE SAME THING ....A CERTAIN HOLY ENERGY WHICH COMES TO MEET.... TERMED THE COSMIC LINE OF KAMI. THE TIME REQUIRED TO REACH THIS STAGE WILL BE FAR LESS THAN WE EXPECT." Hashimoto adds that Zen Priests, Japan's most warlike sect, already possess this knowledge.

"Divine Slogan"

Observers of prewar Japanese propaganda say that this is but the old "divine" slogan of HAKKO ICHIU (The world under one Japanese roof), adapted to a defeat not yet conceded. For many years the Japanese were told by Emperor and Government that HAKKO ICHIU was the "Divine Mission" given to Japan by ancestral gods and that it was the duty of the nation to bring the world under the benign rule of Hirohito.

In 1942, Hashimoto called HAKKO ICHIU, "THE HIGHEST IDEAL OF MANKIND," and urged: "OUR COUNTRY, WHOSE NATIONAL POLICY IS HAKKO ICHIU, SHOULD ESTABLISH A NA-

TIONAL STRUCTURE COMBINING MENTAL AND MATERIAL CULTURE AND BECOME THE GLORIOUS MORAL LEADER OF THE WORLD BY DISPLAYING HER ORIGINAL CHARACTER." (This latter meaning that Japan is the only nation which has a "God" as ruler.)

Today, Hashimoto says: "THIS SPIRIT OF DEVOTION FOR THE CAUSE OF GOOD TO THE ONE ABOVE YOU IS THE MOTIVE FORCE THAT WILL BRING ABOUT THE PROGRESS OF MANKIND AND FURTHERMORE IT MEANS DEVOTION TO THE KAMI."

All this may sound strange and remote from a world in whch the United States has the atom bomb and an overwhelming air force, but critics point out that identical conceptions led 80,000,000 Japanese to their greatest war to date. They say that Hashimoto, like the other war criminal defendants, reads the newspapers each day and is well aware of the strained relations between the United States and Soviet Russia. They say that monuments and plaques exhorting HAKKO ICHIU still dot the Japanese countryside, undisturbed by General MacArthur or the "democratic" Japanese Government. The idea of HAKKO ICHIU has never been condemned by SCAP, and the mythical Emperor Jimmu Tenno, who supposedly propounded this "divine" injunction to imperialism 2,600 years ago, this Jimmu Tenno is still found in the new SCAP-approved Japanese history books.

Biding Time

Critics also say, that fanatics like Hashimoto, while biding their time and "sweating out the Occupation," have a simple program for achieving a single world peaceful state, under Japanese domination. While promoting a war between the United States and Russia, Japan is to remain at peace and become strong in science. American aid is expected to make Japan scientifically strong. When these two remaining great powers have exhausted themselves, Japan, with "high moral principles" will begin "writing the history of the new era."

Thus, in Judo fashion, they seek to turn the strength of their opponents, the United States and Russia, against themselves, salvaging victory from defeat.

Hashimoto, speaking to the Young Men Of A New Age, seemed optimistic over future prospects: "THERE IS NO DOUBT THAT I LAMENT JAPAN'S DEFEAT IN THE LAST WAR BUT IF YOU LOOK BACK ON THE LONG HISTORY OF MANKIND, THE VICISSITUDES OF ONE NATION ARE MERELY A SERIES OF WAVES ON THE HIGH SEAS." Against such a broad backdrop, the "Liberalism" which is now "vogue" must seem less than a ripple to Kingoro Hashimoto.

"YOU ARE STILL YOUNG," Hashimoto concludes, "YOU SHOULD NOT BE PESSIMISTIC ABOUT PRESENT CONDITIONS ....THESE THINGS THAT I HAVE OUTLINED REQUIRE YOUR LOFTY AMBITION, ORIGINALITY, BURNING PASSION, COURAGE, WILL POWER AND ACTION."

Observers, who have seen the great increase in anti-liberalism in Japan in the second year of the Occupation, say that the atmosphere is most favorable for nationalist propaganda. They say that it is highly significant that Hashimoto, one of Japan's most dangerous men, should tell his disciples, "NOT TO BE PESSIMISTIC ABOUT PRESENT CONDITIONS."

Everything For The Future

CHANG CHEN-HWA

(At the risk of belaboring the subject of education, we present yet another article on this issue following the initial two published by the REVIEW in the course of the last month. According to the author of a previous piece on education, the opening of the UNESCO Far Eastern Regional Study Conference on Fundamental Education in Nanking, on September 3, has "started an unprecedented movement for the intellectual enlightening of the dark areas of the world." The REVIEW hopes that the figures presented in the following article, although they have appeared in print before, will once again stress the need for serious action in the sphere of education in this country.—EDITOR.)

FOR more than 30 years the project to expel illiteracy from China has been discussed and the slogan "sweep out illiteracy" has been heard throughout the nation, but today it is still one of our major problems. During the war, the slogan "everything for the front" was an admirable one, but in this critical period of our history the slogan should be changed to "everything for the next generation."

Statistics showing the condition of primary education in China at present, as compiled by Chang Tien Ling, are quoted below:

I. Number of children of school age in China between the ages of six and 12 76,598,694
Number actually attending school 18,086,452
Number educated privately or suspended from school 12,190,859

* * *

Percentage of total population attending school 39.53
Percentage of literacy . 28.00

* * *

II. Percentage showing physical condition of children attending school:

Normally healthy children	10.00
Below normal	90.00
Children suffering from malnutrition	50.00
Children suffering from trachoma	80.00

Apathetic Interest

The average sixth grade standard of education in the high primary schools of today is about equal to the fourth grade standard in lower primary schools in 1937. The interest in education is lacking and the children's powers of understanding are very poor. The average standard of children from free China areas is comparatively higher than that of children in formerly occupied areas.

Among the subjects with which students have most difficulty, Chinese is predominant! The majority of children know little Chinese and consistently make errors when it comes to using their native language in the simplest composition. Compared to prewar standards, the general thought trend in composition is infantile and immature. The same criticism can be applied to mathematics which the children also have a great deal of difficulty understanding.

III. The number and qualifications of primary school teachers in 19 provinces as of 1946 are as follows:

Qualified primary school teachers	80,929
Primary school graduates	85,929
Junior middle school graduates	111,123
Teachers trained in normal school	95,346
High school graduates	44,259
Normal college graduates	3,076
Kindergarden normal school graduates	1,693
Junior normal school graduates	80,683
Normal school graduates	82,537
College or University graduates	3,794
Total	624,805

Strictly speaking, 70 percent of the teachers in China's primary schools are unqualified for their

positions. In the U.S., most primary school teachers are college graduates. This comparison is appalling, and the result is that teachers in China show little interest in their work and the teaching methods are out of date.

Another reason for the low standard is accountable by the fact that teachers in China are sadly underpaid. In municipalities, the primary school teacher receives about CNC$100-200 basic wage per month, but the teacher in a small village primary school receives as little as CNC$30,000 per month—one day's wage of a rickshaw coolie in Shanghai. In addition, some of the village school teachers are still waiting to be paid for the first months of 1947. Physically and psychologically, today's primary school teachers are weak and abnormal, and under such circumstances, they are barely able to live, let alone work for further improvements.

IV. "College education belongs to the National Government; middle school, education belongs to the Provincial Governments; and primary school education belongs to the local Governments," is China's educational program today. So the village, town or pao are directly responsible for the establishment of primary schools in China. But has the village sufficient funds to establish and maintain its own primary school? Here are two estimates:

(a) Estimate according to national population. The yearly national primary education fund for one class of children of school age on a pre-war basis is as follows:

	CNC$
Salary for one teacher (CNC$30 per month)	360.00
Salary for one teacher of special curricular work (CNC$25 per month)	300.00
Expenditure on equipment and management (40 percent of total expenditure)	440.00
Two classes of higher primary education for every 20 classes (10 percent of total expenditure)	120.00
Funds for junior normal schools	70.00
Funds for further training of teachers	70.00
Pensions and allowances	70.00
Funds for extra curricular activities	70.00
Total expenditure ...	CNC$1,500.00

The number of children of school age comprise 10 to 15 percent of China's total population, in other words, among every 500 persons there should be at least one class for children of school age. Therefore it requires CNC$1,500, three times 500 persons, as annual funds for local primary education. The total sum, consequently, required for universal education in prewar days was three times the total population of 450,000,000 per year. That would be CNC$1,350,000,000 for 900,000 classes. The total national income for the year 1937 was only CNC$1,500,000,000, so if prices today are 10,000 times higher than that of the prewar period, there should be 30,000 times the total population—CNC$13,500,000,000,000—allotted for national primary school education annually.

(b) Estimate according to the number of pao in China. There are approximately 623,460 pao, according to an estimate made by the Ministry of the Interior. If, as the Ministry of Education has said, "for each Pao a school and for each school CNC$1,000," there should be at least CNC$623,460,000 for the national primary education funds each year on a pre-war basis, and CNC$6,234,600,000 yearly as of today. But, as a matter of fact, the total local primary school funds in China today total no more than CNC$20,000,000 as against a total national income of only CNC$7,000,000,000,000.

Everyone realizes that the children are the future pillars of their country and primary education is the foundation stone of the nation. The postwar primary education slogan in England is "everything for the next generation." The best and most nourishing food is reserved for the children. They also get the best education.

China is a nation of 450,000,000 persons. If the manpower is well used, and if the expenses of the Civil War in China (about CNC$50,000,000 per day) could be diverted to primary education, what a great future would lie ahead of China. It is up to us all to propogate the slogan: "Everything for the next generation."

Cotton Balances Honan Trade

VAN SHIH-CHING

(Special Correspondent, The China Weekly Review)

Chengchow, Honan.

HONAN Province is famous for its production of cotton, which, as the chief export product, manages to overbalance Honan's imports, consisting mainly of manufactured goods. Practically every hsien in Honan plants cotton, and according to the estimates of the Provincial Government, a total of 87,227,600 catties are produced annually.

The most famous cotton producing districts are Lingpao and Yenshih, both in west Honan. Each of these hsien uses half of the land, about 200,000 mow, for cotton and as a mow is calculated to yield 64 catties on an average, and each catty is worth CNC$10,000, these two places alone produce cotton valued at CNC$256,000,000,000 annually. If wheat took the place of cotton, each mow could produce only five pecks of wheat, worth only CNC$50,000. Anyoung, in north Honan, is another well-known cotton district, but owing to the Communists' siege of that town, 10,000,000 catties of cotton, half of its production, are "frozen."

An agricultural expert told me that if the soil and the cotton seeds which have not undergone any change in seven years, were to be improved the cotton products would be greatly augmented both in quantity and quality. Apparently the Ministry of Agriculture and Forestry has realized this for many agricultural experimental stations have been set up and American cotton seeds brought into the province.

Little Progress

However, so far little progress has been made owing to the poor financial condition of the farmers, most of whom cannot afford to buy the manure necessary for fertilizing the soil. Most of them would prefer to use American seed for they are aware that this seed is infinitely better than any domestic variety and, moreover, they receive the seed free of charge in most cases. But unless they are able to borrow money through the national bank with which to buy manure, the seeds are of little value. Another difficulty is their lack of the knowledge required to separate the different kinds of seeds.

As mentioned above, cotton maintains the balance between exports and imports in Honan. Even so, the condition of the farmers is no better than in the poorer districts. Where do the profits from the cotton go? Not unexpectedly, they fall into the pockets of the chiefs of pao chia who make money by means of forced subscriptions and taxation, and the merchants who buy the cotton at a very low price and then proceed to sell at a more than adequate profit. They even accuse the farmers of soaking the cotton in water or adulterating it with a 40 percent solution of thresh.

These cotton profiteers, some of whom began with a capital of as little as CNC$1,000,000, some with nothing at all, are now millionaires. I know of one cotton merchant who has made CNC$6,000,000,000 this year alone.

As cotton is grown in almost every hsien in Honan, it is natural that there should be a great deal of spin-

Background Of Wedemeyer's Farewell Statement

FRANK L. TSAO

THE one month stay of Lt. Gen. Albert C. Wedemeyer in China has created such a fuss in the Chinese administration as has never before been witnessed in her diplomatic history. Even the culmination of the Stilwell crisis in 1944 did not cause such worry and concern to China's ruling group as the outspoken farewell message of the three star American General.

As a matter of fact, Wedemeyer's "common talk" statement lambasting the widespread "defeatism, greed and incompetence" in this country, touches only upon the social and political phases, not mentioning the aggravating military and economic situation in China—the supposedly more significant and decisive field of Wedemeyer's investigations. The points covered by the American general are by no means novel to the average Chinese, who fully recognized the almost irretrievable decay of the present administration in the early take-over period after V-J Day. Then what in the farewell message has hurt the ruling clique so much that they have started the current wave of criticism against the "unfriendly" attitude of the Wedemeyer Mission?

Drastic Change

It is profoundly interesting to note the drastic change of opinion of high ranking officials, as well as of the controlled press, from the hailed arrival to the equally hailed departure of the American fact finding mission. To put the transition in chronological order, it went from complacency to doubt, to despair and finally to retaliating counter measures.

This change of attitude is only natural in view of the Nationalist's overexpectancy, pinned on the hope that General Wedemeyer, known to be pro-Nationalist and despatched after a volley of appeals for "a more active US policy in the Far East," would be willing to extend aid to the Chinese Government. Wedemeyer's statement, though not actually unfriendly towards to the Chinese Government, has not, after all, promised to pour dollars generously and unconditionally down a bottomless pit.

The future hinted at in the farewell message is much more gloomy than the mere strictly conditional extension of aid by the United States to China. Loans, Greece pattern or otherwise, are not too significant no matter in what form they are rendered as long as they are guaranteed or promised. It is the changing United States foreign policy in the entire Far Eastern area that is the most weighty and decisive factor.

Prior to the arrival of the Wedemeyer Mission to the Far East, there was a growing tendency in America to substitute Japan for China as the bulwark of American interests on the other side of the Pacific. The joint announcement by the State Department and General MacArthur on the re-opening of Japan's foreign trade could not be interpreted as a sign of respect for China's supposedly leading position in postwar Asia. The U.S. Presidential Envoy's investigation findings also clearly indicated that China ranked no higher than not yet independent Korea irrespective of the world prestige China gained during the last war.

Evil Bodings

All these "evil bodings" have aroused profound anxiety on the part of the Chinese Government. Dr. Sun Fo, Vice-President of the Chinese Republic, had already astonished the American public last June by his anti-Soviet and US-Abandons-China announcements. If the US political trend was not altered in time, the Reds would sooner or later take over, the pessimists believed.

The decision of US State Secretary George Marshall to dispatch an on the spot investigation group headed by General Wedemeyer, was at first interpreted by some official quarters as the application of the Marshall Plan in the Far East and the beginning of a change from the then passive policy of the US towards the Asiatic countries—especially China, the so-called "center of Far Eastern politics." That interpretation was apparently too subjective and over optimistic because China, on the one hand, could not offer a wide market for US goods as required by the Marshall Plan, and on the other, she was too weak and inefficient to play the leading role in wartorn Asia.

China An Equal

Many, however, cherished the belief that a man like Wedemeyer, instinctively anti-Soviet and anti-Communist, would be able to add weight to American foreign policy balance between China and Japan, culminating in the former being treated at least as an equal to the latter in the Far East.

The persistent silence maintained by the American General during his two weeks' tour of the north, northeast, south and southeast set the whole nation boiling with impatience. The Chinese Communists, as usual, shot vituperative remarks at the Presidential Envoy and said that the US policy towards China had been firmly set by Washington before the mission was sent. Nevertheless, the people waited.

The farewell statement was at last disclosed, short and straight forward. Actually there was nothing new in it and it need not have taken the able American general such a long time to draw his conclusions of China's domestic situation. But the most important point—would the US change her Japan-first and China-second policy?—which caused so much worry in official quarters during the investigations, was clarified. The obvious answer is "not likely," for "China still possesses most of the physical resources needed for her own rehabilitation."

Loan Ruled Out

Neutral observers in Nanking, as reported by *UP*, on August 24, concluded from the departing statement that: "Firstly, a possibility of a large political loan from the US to China in the near future can be virtually ruled out; secondly, positive action of any kind is most unlikely before Congress reconvenes next January, since nothing in the Wedemeyer statement indicated justification for calling a special session of Congress; thirdly, any aid granted to China, either financial or military, would be offered only on condition that Generalissimo Chiang Kai-shek permitted the closest American supervision and control over funds, supplies and projects." Should these conclusions be justified, the picture would be simply appalling to the incompetent administration which needs "immediate, drastic and far-reaching political and economic reforms."

A series of counter-attacks then began to defend the "corruption and

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ning in that province. In Kunghsien, there are 150 iron spinning machines, each with capacity for weaving a piece of cloth worth CNC$70,000 per day. A total of CNC$10,500,000 can be made from 150 spinning machines. In addition, there are many housewives who use wooden spinning wheels in their spare time and these are able to make cloth valued at CNS$300,000 daily. Before the Sino-Japanese War, Honan cloth had many markets including the main one in Tientsin. During the war this province supplied the rear areas where cloth was greatly needed, and now the Government is its largest consumer, the cloth being made into soldiers' uniforms.

The profit from spinning is very great. The Kuanye Spinning Mill at Anyoung possessed a capital of only CNC$30,000,000 in the winter of 1946, a few months later, in the spring of 1947, this sum had increased to approximately 12 times that amount.

Another major product of Honan is cotton seed oil although output is not very high because of the backward methods of production used. Only Hsienhsien, in north Honan, produces 1,000,000 catties of cotton seed oil yearly, part of which is sent to Hankow, and part to Tientsin.

inefficiency" of the Central administration. The American Mission was said to have been misled by anti-Government elements with whom General Wedemeyer conversed during his stay in China. The corruption and inefficiency in Chinese officialdom were said to be due to the low salaries of the civil servants which, in turn, was due to the existence of Civil War. The continuation of the Civil War, they stated, was due to the Communists who are supported by the Soviets, and the reason the Russians were able to assist the Reds was again due to the secret Yalta Pact signed by the Americans as well. The implications to be drawn from these accusations are that China's corruption and inefficiency are indirectly America's responsibility. That queer logic might be counted as one of the "many things Wedemeyer did not know."

Presidents' Statement

In order to give the American people "more accurate knowledge" of China's situation, statement after statement has been issued by official and semi-official quarters urged and manipulated by the C.C. Clique which even managed to persuade the presidents of Christian and non-Christian universities here to sign a prepared statement which later appeared in the local Chinese and English-language press in defense of the administrative corruption and inefficiency.

"As academic people," the signed statement by presidents of eight universities here began, "we have to point out.....to adjust herself (China) instantaneously to modern conditions which took Western nations centuries to achieve, is a most difficult process, perhaps beyond the comprehension of an outsider."

It continued by explaining that the "terrible struggle" against the Japanese invasion "has left in its wake widespread physical and spiritual deterioration from which no nation under similar circumstances could escape." This sounds as if a quack is divinely innocent if he drives his patient to the verge of death because the latter is too sick and weak. It is really a great pity that the university presidents and other intellectuals like to follow a "quack is not a quack" theory that is laughable even to a student of simple logic.

As the Kuomintang right wing tries to take advantage of the Bolshephobia of the American people by persuading the latter that they much choose between the two-C domination over China's internal politics or the horrible alternative of Communist dictatorship, another group in the Government is endeavoring to introduce some piecemeal improvements, often practiced in the past when enforcing the punitive campaign against the Reds, but also proceeds along the "decent" way of sound administration exactly desired by the US Government.

The two-C clique could never tolerate such penny quick but pound slow reforms. The CC-run *Shun Pao*, for example, commenting on the Wedemeyer departure statement, time and again reminded its readers that the situation in China was different and that the Americans should not view it by their own standards. Reforms were necessary, the vernacular asserted, but should "not come too fast."

Against Reforms

It is too early at the moment to predict what specific recommendations General Wedemeyer will make to President Truman upon the former's return to Washington, or what policy the American Government will adopt in the future toward this warstricken land. However, from the foregoing analysis it would not be groundless to conclude that the Kuomintang right wing will react ferociously to any American demand for drastic reforms in China's present administration as a condition of American aid. Observers conversant with China's internal situation must realize that any "drastic reforms" in China's politics would mean the withdrawal, if not extinction, of the right wing clique.

It remains to be seen if the US will secure honest and efficient administration in China without touching upon the deep rooted structure of the right wing group.

Postscript To A Mission

ANDREW CHOW

(In closing comment on the Wedemeyer Mission, the REVIEW presents the following postscript wherein, among other points, it is advocated that China be divided into two areas which will then proceed to compete to prove the advantages or drawbacks of their respective administrations. We do not support this idea (see editorial SPLIT IN CHINA?, August 2, 1947) but present this piece because the idea in question seems to be gaining favor in many circles, both Chinese and foreign.—EDITOR.)

DEAR General Wedemeyer:

Your fact finding mission to China indicates that the American people as well as the Government of the United States are interested in assisting China and the Chinese people. But is it not essential for the American Government at this point to make a clear and reasonably detailed statement as to what is expected of: a) the Chinese Government, at b) the Chinese people? And, on what terms may we Chinese expect aid from America?

Fair answers to these questions would, to my mind, promote a better understanding between the two countries and would, at one stroke, remove all doubts and fears of possibly secret treaties, or one sided agreements which might involve the sovereignty of our people.

Were I in your position, these are the points I should have seriously considered before granting or recommending any further aid to China:

1) The present Government of China ..., its claims versus the facts.

a) This Chinese National Government....is it genuinely democratic, quasi - democratic, or pseudo-democratic?

b) Our Chinese Communist 'Government,' .... genuine, quasi, or pseduo-Communist?

Type Of Government

Inevitably, in such a study, one asks the question of oneself, which type of government *is* more suitable for the Chinese people? Inevitably, we realize slowly that the Chinese after all, for 4,000 years have never cared much about *who* ruled, but rather *how* they ruled. The name of the government in power has meant little to the people, but whether that government was for the interests of its people, or against those interests, did, and does, matter.

2) Is the Government of the United States willing to assist in bringing our Civil War to a quick end, to relieve our long suffering people of the miseries of internecine strife, to effectively assist in the restoration of peace We know by now, and so should the party, that the KMT Government can do none of these things; the war may well drag on until there is no longer a China or any Chinese.

Some people regard the Chinese Communists as but the shadow of the grim and menacing spectre, the Russian Reds. And those people have been trying for years to crush the Chinese Communists, saying always, "in a few months," and again, "in a few months." It's been years, but the Nationalists are still trying.

It is my opinion that with all the aid America and Britain could muster, short of open warfare involving them with Russia, the Nationalists Armies could not eliminate the Communists. What, then, is the answer?

One answer might be a peace brought about by an Anglo-Yank-Russo entente. The Nationalists have outlawed the Communists. The

Communists, naturally, refuse to come to terms with the KMT. The Nationalists, seeing what they believe is an American built wall of steel rising to contain the Russian Bear, are confident of American aid. Red Russia, in a counter move, lends aid and moral support to the Communists with a pat on the back from Uncle Joe. So China has become one of those countries cleft in twain by this world struggle between these two ideologies; China is divided yet, and her people suffer and pay and pay for these things the people could better do without.

Face Realities

So let us face these realities. Is it too late? Is it not possible for Uncle Sam and Uncle Joe to come to terms directly? Must the others of the world continue to suffer because these two titans want to spar?

How say you, General Wedemeyer?

And yet we Chinese look with shame upon our own leaders who cannot even work together for the good of their own people.

Our present National Government was originally a totalitarian outgrowth, influenced by the police and political systems of the Borodin stripe and later, the German-Nazi stripe. To this day it remains to far too great an extent a single party government. In all fact, despite the show the KMT put on during the latter part of the war against Japan, and with the exception of a very small group, our present officials, our police, our Youth Corps, our secret service, our "loyal" party members including most of the military, are NOT democratically minded at all. Witness their actions, deeds: stringent controls and ruthless taxation, gendarmery arrests and confinement incommunicado, even murders, and summary dismissals from office or public post.

Of course no nation at war can be democratic. Thus so long as the Civil War continues we may as well delete the word "democracy" from the Chinese dictionary and vocabulary. Even with fullest American aid and assistance....we yet must have a purge of the undesireable, unhealthy officialdom.

The Red Question

And so to our Chinese Communists. Our people are not by nature or inclination either communistic or fascistic. It is a fact that large numbers of the rural gentry are or once were owners of land. And judging from the reports we have heard the Communists may have a more honest government, but there is no privileged class other than the governors themselves. People are forced to join the army, to share their lands and properties, to work for the Communist cause. So once again the common farmer is caught in the middle. Where is he better of? In Communist territory, or KMT-ruled areas?

While we may not enjoy first hand information we do know our countrymen in the wartorn areas are having a difficult time of it. And no one can tell us the farmers and country folk are greateful for the military "protection" of either the Communists or the Nationalists. The farmer cannot till his land as bullets fly; and even if he could, both sides conscript the able-bodied and remove them from the furrow for the slit trench.

We Chinese have had enough experience at war to know that the only ones who can and will benefit by this continued war are the militarists, both Communists and Nationalists. Civil War costs money and lives. Civil War prevents national reconstruction, a return to a minimum of industrialization. Civil War is destroying our physical, moral and cultural heritage of the centuries. If it continues, victory will be hollow, indeed, for the winner, be it Communist or Nationalist. The land will lie barren, the people squeezed to the bitter last. Once that point is reached, the militarists will be out of luck.

No Military Solution

Hence we must realize that a military solution is not enough. Many people are convinced our National Army is not strong enough to weaken the Communist Army, much less eliminate it, even with all the American aid. Moreover, they regard the Communist forces not so much as military as a kind of religious or social revolution which cannot ever be rendered ineffective by force of arms. Thus the Communists can afford to dash hither and yon about the countryside, destroying as they go; they have geography and time in their favor.

It becomes apparent then, obviously to anyone but a KMT official, that an honest, conscientious government is of paramount importance. Should the Nationalists win this struggle, the Government must be prepared and capable of providing the people with the means or opportunity to earn an honest living.

So far, our KMT government has done everything possible to arrange this for party members and their friends and relatives, but for the people outside, there is much to be desired. Unless this situation can be remedied, and that very, very soon, squeeze and graft, unrest and strikes, banditry and piracy will continue to demoralize our society to a point where a state of affairs will exist just as undesirable as, or worse than, Communism.

So much do I fear this, General, that I suggest our brothers over the hump had a better idea: Pakistan. Let us consider China as too vast to be centrally administrated, which in truth it has not been since the dynasty of the China. Divide up the country between the Nationalists and the Communists. Let them both get to work in rehabilitating the country and in reconstruction. Let them prove they each have the interests of the people at heart. Let us give the system of federated states a chance.

Ruin Prevails

We have seen that continuing Civil War merely continues to enslave a people who would far rather have it otherwise. Nothing else is accomplished, but ruin, famine and starvation. People without food and shelter cannot survive, much less fight for others. Then too, the Nationalists should realize that prolongation of the war and its attendant miseries merely make more fertile the ground for Communist seed.

So let us have a truce, an end to this senseless fighting. Let both parties divert their effort and energy to political, economic, moral and educational reforms. Then, some day in the future, let the people make their choice by plebiscite, if they do not in the process of peace and reform toward a better day for all make that choice.

Leaders of both parties should realize the people of China have lost faith and perhaps all hope in their governments. They can no longer expect loyalty and sacrifices from such saddened people. This feeling is beginning to degenerate into hatred. We all know where this will lead.

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Accord With Hongkong Analyzed

WANG SZE-ZEE

PETTY disputes over the problem of smuggling have frequently occurred between the Governments of Hongkong and China and the former has usually been blamed for existence of this evil. At a press conference on August 6, Vice Minister of Foreign Affairs of the Chinese Government, George Yeh, announced that the Chinese Government was watching with "anxious concern," the ever increasing smuggling activities between Hongkong and Macao and China. He asserted that this could be effectively checked if certain cooperative measures were taken by the Chinese and Hongkong authorities. He revealed that the Chinese Government has been repeatedly requesting the cooperation of the British and Hongkong Governments to enforce certain effective Customs laws, but that so far "no reply has been received from the latter." Three or four months ago, he added, China sought to conclude two agreements with the Hongkong Government, one on foreign exchange control in order to check black market transactions, and the other on Customs measures to prevent large scale smuggling from Hongkong to China. China is now urging the British Embassy in Nanking to submit an early reply, Mr. Yeh concluded.

Value Revealed

At the same meeting, Dr. Hollington Tong, Director of the Chinese Government Information Office, revealed that smuggled goods to the value of CNC$11,300,000,000 had been confiscated in 1946, but the actual amount of unapprehended goods smuggled into the country was many times that figure.

Public Relations Officer of the Hongkong Government, J. H. B. Lee, on August 7 protested against the accusation made by George Yeh in Nanking. He cited the recent seizure of 35 tons of unmanifested cargo aboard the S/S Sinkiang, and added that nearly 500 cases of a similar nature has had been dealt with by the courts in the Colony since the beginning of this year. He confirmed that negotiations on smuggling and foreign exchange control measures were going on between the two governments.

Meanwhile, English language newspapers in Hongkong attacked the Chinese Government for its inconsiderate charges. They pointed out that many well known instances of smuggling were patronized, supervised and even handled by Chinese military and political leaders and denied that Hongkong was to blame.

On August 19, Central News reported that the negotiations had been completed and an agreement reached. It was said that the agreement contains two main points: (1) Measures to check smuggling—the establishment of Chinese Customs stations in the Hongkong area and, with the assistance of the Hongkong Government, to strengthen patrols and inspect all ships sailing for China. (2) Utilization of foreign exchange—establishment of a foreign exchange control committee assuring that goods exported via Canton and Hongkong, destined for the US should undergo the following treatment: the goods are first to be covered with Hongkong currency in Canton, and when the cargo is eventually realized in the United States the greenbacks thus received are to be pooled in Hongkong for use in the agreed manner.

Priority to Hongkong

The agreement provides that a) the Hongkong Government should have priority in utilizing the foreign exchange thus accrued; b) China may have recourse to this pooled currency for import purposes; c) the exchange left after both parties have drawn on the stockpile should be sold to the Chinese Government; d) Greenbacks pooled in this manner are not to be used to trade with countries other than the United States.

Chinese officials expressed great satisfaction declaring that the agreement would be of mutual aid. Nevertheless, observers here in Hongkong consider the ultimate conclusion as not very favorable to China. They point out that there are many ways of smuggling against which the Hongkong Government is virtually powerless. Furthermore, the colony has its own problems to be solved and the prosperity of the colony is of more importance than anything else; trade bringing prosperity to the colony would be encouraged.

Attitude Stated

Sir Alexander Grantham, Governor of Hongkong, in reply to a question put at a reception of pressmen in Canton, said opium, ammunition, cigarettes and cosmetics must be considered as illegal goods by the Hongkong Government. This statement fully betrayed the British attitude towards trade.

The priority granted to the Hongkong Government for the use of US exchange will be a handicap to China, and should the exchange be exhausted before it reaches the hands of the Chinese Government discord and disagreements are bound to ensue.

On the eve of the promulgation of the revised Regulations of Foreign Exchange Control, Mr. Chang Kia-ngau, Director of the Central Bank of China, declared that an agreement between Hongkong and China on smuggling and financial questions had been reached, a compact had been signed and the Hongkong Government had notified its co-signer that an announcement would be printed in the Hongkong newspapers on August 18, and a full reprint of the terms of settlement would be published by both sides simultaneously on August 23. However, both dates went by but no announcements were forthcoming from either the Chinese or the Hongkong Governments.

And explanation by the *Central News Agency* on August 23 to the effect that the announcement of the inconvertability of sterling recently made by the British Government had affected the exchange rate and other questions concerned and consequently the official declaration of the agreement had been postponed.

However, this explanation did not deceive economic and financial experts or well informed circles, as the effect of the inconvertability of sterling was limited to US currency areas in the Western hemisphere and in no way should it affect the Hongkong-China agreement. To this explanation, no reaction positive or otherwise was forthcoming from the Hongkong Government.

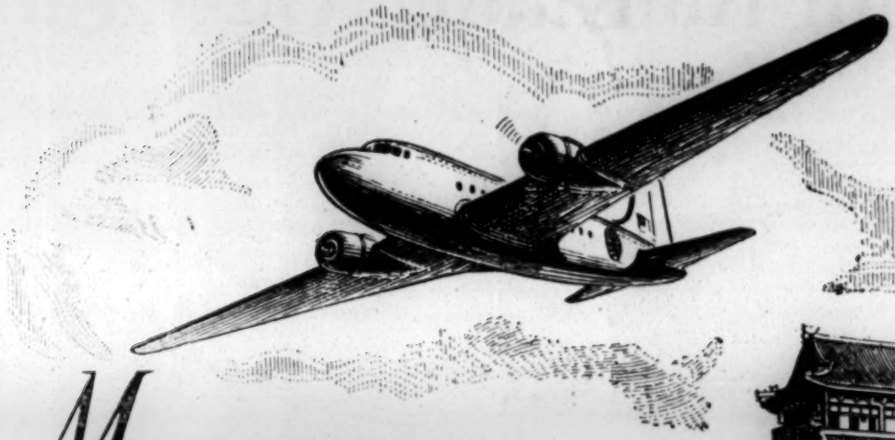
Papers Apologize

Rumors spread in Hongkong, and Kuomintang sponsored papers were forced to apologize. Finally *Sin Sun Wan Pao* fabricated a "true story" of the postponement, which said that (1) the duties of the Chinese Customs personnel in Hongkong had not yet been determined, (2) certain technical questions had not been solved, (3) the effective date of the agreement was not yet due so there was no harm in postponement. This paper stated that August 28 would be the day of the announcement, but this day also passed uneventfully.

The actual reason for the postponement is to be found in the new regulations of Foreign Exchange Control which would affect Hongkong's trade. Should these new regulations be effective, Chinese exports would be concentrated in Shanghai instead of in Hongkong as is now the case.

Sir Alexander Grantham said in an interview in Canton on August 29, that the Anglo-Chinese relations had been affected by the new exchange regulations and that economic experts on both sides are examining the whole questions. Asked to what extent the new exchange regulations affected the agreement, the Governor replied wittily, "Better ask the Director of the Central Bank."

The final conclusion to be drawn is that the agreement, reached after much discussion over a long period of time, was finally aborted through the unwise administration of the Chinese Government. New representatives will be sent by the Chinese Government to Hongkong to reopen negotiations, it is said, but all their efforts will prove fruitless, for observers here do not believe that the Chinese Government would benefit from further negotiations. The commercial situation in South China can never be improved until the conditions all over China are bettered. One limb cannot be cured if the whole body is in a hopeless state of decay.



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PASSENGERS — AIRFREIGHT — AIRMAIL

Markets Steady, Hikes Moderate

THE general market conditions were steady, with quotations of some commodities increasing during the week under review. Prices of cotton yarn and cotton cloth dropped slightly but prices for newsprint, paper and rice rose.

Despite the actions of the government banks to call in money, the money market was not tight and rumors were current to the effect that fapi notes in denominations of CNC$20,000 or even CNC$50,000 would soon be circulated. Although these reports were denied by the authorities concerned, the undertone in general was firm in the local market.

Financial quotations remained steady because of the new foreign exchange regulations and the daily arrest of black market dealers in gold and greenbacks by local economic police. The market rate of the American dollar, which was fixed at CNC$38,500 by the Foreign Exchange Equalization Committee was revised this week to CNC$40,000. Mr. K. P. Chen, chairman of the Committee, who was in Tsingtao when the committee was formed immediately following August 17, returned only this week and resumed his post. Meanwhile, the exchange rate for pound sterling was CNC$118,000 and for the peso CNC$8,850. The Hongkong dollar rate was CNC$7,350.

Trade Volume Low

Little business was done in the financial market. Quotations of stocks and shares weakened considerably and the total volume of trade has decreased. This general trend of weakness in the financial market at a time when the money market was easy indicated clearly the lack of interest in the market at the present time. It may be noted that quotations for securities as well as for gold and greenbacks may remain steady for some time, while prices of commodities may increase. This can be explained by the fact that financial quotations went up many times higher than those of commodities, during the past six or 10 months.

According to the *Shang Pao*, the index for stocks and shares rose from that of 100 on September 16, 1946, to 1,130.8 on August 23, 1947 (or during a full year since the opening of the Shanghai Securities Exchange), but the index for commodities increased from 100 on September 16, 1946 to 640.00 only, by August 23, 1947.

The commodity price index as compiled by the China Institute of Economic Research, for the week ending August 30, showed considerable increase when compared with that of the previous week, as shown below:

	Week Ending Aug. 23	Week Ending Aug. 30
Food	38,137	39,863
Textiles	45,924	49,157
Construction Materials	55,718	56,867
Metals	63,203	65,499
Chemicals	90,405	94,443
Fuel	56,998	62,954
Miscellaneous	48,141	54,083
General Index	49,635	52,590

Larger remittances have been sent here from outports, showing that idle capital is being concentrated in Shanghai once again. In the month of July, as much as CNC$1,513,000,000,000 was sent here, but only CNC$367,000,000,000 remitted to outports from Shanghai as is seen below:

1944	Remitted Into Shanghai	Remitted From Shanghai
May	CNC$917,000,000,000	CNC$253,000,000,000
June	„ 1,173,000,000,000	„ 254,000,000,000
July	„ 1,513,000,000,000	„ 367,000,000,000

The following table gives the quotations of some of the leading commodities in Shanghai on September 6:

	Aug. 30 CNC$	Sept. 6 CNC$
Bond C	15,400	14,500
Wing On Textiles	246	235
Mayar	410	388
Ewo Cotton	88,000	87,000
Rice	500,000	480,000
Wheat flour	128,000	128,000
Peanut oil	1,060,000	990,000
20's yarn	12,100,000	12,100,000
Raw silk	32,500,000	30,500,000
Rayon	27,300,000	26,200,000
R Q Cigarettes	147,000	163,000
Koo Ban Soap	513,000	545,000
Newsprint	365,000	430,000
My Dear Matches	3,300,000	3,650,000

EVENTS IN BRIEF

The Bureau of the Census, Department of Commerce, announced last week that American exports for July were valued at US$1,151,000,000, compared with US$1,241,700,000 in June, a decline of seven percent. This is the second successive month in which exports have declined with the result that the July value is 19 percent below the postwar high of US$1,421,800,000 in May. General imports in July amounted to US$449,900,000, a slight decline from the US$466,000,000 in June.

* * *

General Feng Yu-hsiang, popularly known as the Christian General, addressing a five-day convention of the Seventh Day Adventist Youth Congress, said that "China has no freedom under the present Nationalist Government. You can't speak the truth there without risk of being put in prison." He further said that both Marshall and Wedemeyer gave an accurate picture of China, and added: "Shanghai and Nanking newspapers are condemning them because the papers refuse to print the truth about the Government."

* * *

Walter Reuther, President of the CIO United Auto Workers, urged President Truman to call a special session of Congress and recommend the immediate restoration of price controls on food and all other basic commodities. In a letter to the president, the UAW chief warned that if the special session was to act effectively on the European economic crisis it must be empowered to act also on the "domestic economic crisis." He added: "Unless we solve our own problem of inflation, scarcity, ever increasing prices, decreasing purchasing power, and scandalously high profits, we cannot hope to give Europe the help it needs and must have."

* * *

Establishement by the United States of a "round financing plan" which would enable needy countries, such as China and Japan, to buy American cotton, was recommended last week by H. D. White, assistant to the U.S. Secretary for Agriculture, Clinton P. Anderson. White forecast that Japan this year needed about 1,000,000 bales of cotton of which the United States would supply more than half. China, on the other hand, would import less cotton than the 800,000 bales she imported last year, he added.

* * *

Local radio station XMHD, which had broadcast in both Chinese and English since August 15, was ordered to discontinue its foreign language programs by the Woosung-Shanghai Garrison because "English-language radio broadcasts are not permitted in China." According to the *China Press*, exception was made for XORA which was described as a former government station and now a "party station."

* * *

The early closing hours for entertainment places, limited to 11.00 p.m., are expected to lower entertainment tax returns by 80 percent, according to the local press. The SMG Bureau of Finance announced that taxes collected on amusements in August reached a total of CNC$7,000,000,000. The early closing may bring the total down to CNC$1,200,000,000.

* * *

About 480,000 tons of American surplus goods sold to China have to date arrived here from Guam, the Marianas and Okinawa. Shipments during the months of July and August consisted of motor vehicles, machinery for heavy industries, and other items, totaling 150,000 metric tons. Items sold to the public in the same period by the Executive Yuan's Board of Supplies consisted of commodities, and communications, mining and industrial materials and equipment.

* * *

Restoration of prewar British properties in China to their rightful owners is one of the three urgent problems awaiting solution, listed by British Ambassador Sir Ralph Stevenson in an interview with the *Hsin Min Pao* last week. The other two points which in the opinion of the ambassador needed urgent solution are fulfilment of obligations by the Chinese Government to British personnel of the defunct Shanghai Municipal Council and establishment of a special committee to deal with British loans made to China for railway construction.

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Diesel and Fuel Oils, Gasoline, Kerosene.

Process Products:—

Cosmetic and Insecticide Base Oils, Petroleum Alcohols, Naphtha Solvents, Wetting and Drying Agents, Microcrystalline and Paraffine Waxes and Enamels.

NEWS OF THE WEEK

Chiang Again Calls For Red Suppression; Exhorts Party

THE long awaited Fourth Plenary Session of the Sixth KMT Central Executive Committee—which was also a joint session of the KMT and the Youth Corps—was highlighted by Generalissimo Chiang's reiteration that the most urgent task confronting "the Kuomintang and the country" is the suppression of the Communists.

The session opened on the anniversary of the launching by Dr. Sun Yat-sen of his revolutionary uprising in Canton in 1895, and the Generalissimo pointed out that "all members of the Party and the Corps should on this great anniversary day do serious soul searching and strive hard to add new lustre to the glorious history of our party, and to consummate the task left unfinished by our late leader and the revolutionary martyrs. Thus and only thus can we give consolation to them in heaven."

The unfinished tasks comprised, among other things, the elimination of corruption and nepotism, the implementation of constitutional government and, in general, the completion of that program which is popularly known as the "unification and reconstruction of China."

Last week, following an announcement by Dr. Hollington Tong, Director of the Government Information Office, that henceforth stories of government reform would earn the headlines, new resolutions and decrees were made public, all designed to aid in completing the task set forth in the party program.

Among the first such reform stories promised by Dr. Tong, was the National Economic Council's clamping down on overseas Chinese assets, the announcement of a series of thrift decrees and measures designed to curb public and private spending and reduce waste. This was followed by the announcement of KMT Secretary-General Wu Teh-chen that the coming plenary session of the CEC would concentrate on reforms and a purge of those "who were guilty of disloyalty to the party or the Government or those who had proved corrupt and had failed to reflect credit on the KMT."

Decrees Listed

Among the thrift decrees were included: reduction of the number of servants in government agencies; cut in gasoline allotments to ministries; slicing of banquets; elimination of inessential construction; the banning of first class rice and flour; prohibition of luxury imports; restrictions on the issue of car licenses; gasoline for light vehicles set at 60 gallons per month; the banning of commercialized dancing from September 30; closure of entertainment places at 11.00 p.m.; reduction in number and size of journals and magazines in China; discouragement of gifts; control of restaurant prices; stress on punctuality and length of conferences and their frequency; the form and manner of invitations and acceptance to parties; and the extension of daylight saving time to end of October.

The foregoing measures were announced by the Executive Yuan being classed as thrift decrees and their implementation, presumably, is going on at full speed.

Military Measures Taken

From the banning of foreigners in war zones, to the discharge and reported shooting of high placed KMT officers in the army, it was evident that in the military sphere exertions were also being made.

The campaign in Shantung which turned out to be a drawn out affair, was still going on this week, with little evidence that a decision would be reached in favor of either side soon. The Government announced that its units had surrounded the Red base of Pingtu in the Kiaochow peninsula, 45 miles northwest of Tsingtao.

A Government spokesman said that there was really no offensive against the Communists in the Shantung area, "just mopping up operations."

A Peiping dispatch by *UP* revealed that the Nationalist had passed to the defensive in the Central Hopei region, instead of conducting an offensive as they had told the press previously. According to the North China *Ta Kung Pao*, the Nationalists had even decided to move their headquarters from the provincial capital of Paoting to Fengtai, a station midway between Peiping and Tientsin.

The *UP* dispatch spoke of the "quick exhaustion" of the Nationalist offensive and this was supported by the official admission that the Communists had succeeded in capturing Sunglintien, 41 miles southwest of Peiping, on the Pinghan line.

Japan Peace Pact

In the field of foreign relations an interesting twist of policy has taken place with the reported statement by Premier Chang Chun that China would participate in no talks on the Japanese peace treaty which excluded the Soviet Union.

To ensure that Japan would never again become aggressive, China would require to pursue a policy similar to that of the Soviet Union, in direct opposition to American policy on the question of Japan, which appeared to be directed at the revival of the Japanese Empire, Chang Chun is reported to have told a closed session of the KMT CEC, according to *Reuter*.

Another point of interest was the premier's suggestion that China might send warships to Indonesia for the protection of Chinese residents there.

In Nanking, an official spokesman of the Netherlands Embassy commenting on the premier's statement, said that any such action without the consent of the Dutch Government would be considered as a breach of the sovereignty of the Netherlands and would not be agreed to.

He said that the arrival of Chinese warships in Indonesia would give the Indonesians ground for increasing acts of hostility against the Chinese, and that the warships would do more harm than good.

Practice Landings

From Honolulu came the news that 2,400 Marines of the United States will practise landings on the coast of China near Tsingtao in Pacific War maneuvers during the next six months, according to Lt. Gen. Allen H. Turnage, commander of fleet marine forces in the Pacific. The Tsingtao landings are scheduled for the latter part of September, or early October.

Following dissatisfaction expressed with Chinese preparations for elections in Siam, the Hongkong Government declared that elections which the Chinese community plans to hold in the colony are "contrary to international law." The spokesman of the colony government added that the elections could not be held unless there was specific agreement between the Chinese government and Hongkong. He said approval would have to come from London.

China May Ignore Jap Talks Wtihout USSR

VICE-MINISTER of Foreign Affairs George Yeh told a press conference in Nanking that China may boycott Japanese peace talks if they are held without Soviet Russia. "Peace is indivisible. We want to see a united peace. I warn any nation against hoping for or suggesting a separate peace with Japan," *UP* quoted Yeh as saying. Meanwhile, a "secret" speech made by Generalissimo Chiang Kai-shek, expressed confidence that the Government would be able to put its economic house in order and restore the "prewar standard of living," without foreign aid. *UP* quoted the Generalissimo as stating that China's economic troubles "are due mainly to our own mistakes in dealing with the economic situation."

What U.S. Papers Say . . .

THE American press last week discussed the UN Palestine Commission report; the *New York Times* commented on the Netherlands, while *PM* devoted space to the question of civil rights in the United States.

* * *

CIVIL RIGHTS

THE question of civil rights of government employees aroused public opinion with the start of the so-called "loyalty tests." When a number of Federal employees were discharged without any specific charges preferred against them and without the right to answer them, *PM* said that "1,900,000 Americans lost a huge slice of their civil rights and their American heritage. For the first time in American history, they, as employees of the Government, began living in what we would call elsewhere a thought control or police state. Their loyalty to their country is now under a scrutiny that pretends to guard their rights, but which by its very nature cannot."

The paper reminded its readers of the witch hunt of the '20s "in the days of the Palmer raids, when there were still great numbers of Americans who protested and in the end crushed back the witch hunt.

"Today the protesting voices are few and far between. It is a complacency that must hurt us not only at home but abroad, for it must paint us before the world in a light that scarcely befits the things we say we stand for."

The average government worker may be branded disloyal and discharged because of his connection with some organization which he has no way of knowing may have been ruled disloyal by the Attorney General, the paper explained. "He may be accused of disloyalty by people whose identity he may not be permitted to know. He may answer accusations only insofar as the 'discretion' of his official accusers permits him to know exactly what those accusations are. He may be branded disloyal because he despises Franco in Spain and Chiang Kai-shek in China, for these are among the crimes that the House Un-American Activities Committee has listed as indications of disloyalty."

PM pointed out that the investigators in charge of these tests have different standards to those prescribed by the President. Actual questions being asked include: "Does he believe in the Henry Wallace kind of New Dealism? Does he read this liberal magazine or that one? Has he ever contributed to the Spanish Loyalist Cause?

"It is on the answers to such questions that almost 2,000,000 American men and women may find themselves under suspicion of disloyalty."

PM concluded: "We have begun the Japanese 'thought control' constrictions among one area of our citizenry. It is an ominous sign for the future course of freedom of thought in our country."

* * *

PALESTINE

THE general opinion on the UN report on Palestine was favorable in the American press. Most papers observed that the report, although not offering a perfect solution, presented a practical basis for forthcoming UN Assembly consideration.

The *New York Times* said: "Some of us have long had doubts as to the wisdom of erecting a political state on the basis of religious faith. The question, however, is now in the hands of the United Nations. Since we believe the prestige of that great enterprise to be of primary importance at this stage of the world's history, we would stand ready to accept any favorable UN decision and to work and hope most earnestly for the success of the proposed new commonwealths. The remainder of the general principles laid down will appeal to all those who believe in democracy and brotherhood...."

The *New York Herald Tribune* said that the report of the UN special committee is an impressive document, not so much for what it recommends as for the long history behind it, the weight of international authority which it carries, the force of world opinion on which it can call. The Palestine problem, involving a violent conflict of legal rights and passionately held convictions, defies any perfect and "just" solution. From the appointment of the committee it was inconceivable that that this body would recommend either to restore Palestine to the Arabs, as the Arab states demanded, or to award it to the Jews. "But there is much reason to believe that it is the best compromise which the wit and institution of mankind are able to achieve...."

* * *

NETHERLANDS

IN an editorial titled: "The Netherlands Accepts," the *New York Times* said:

"The Netherlands Government notified the United Nations that it is accepting the Security Council's plan to attempt settlement of its armed dispute with the Republic of Indonesia. Its qualification that it still does not believe the Council competent to interfere was for the record and should not interfere with operation of the plan. The only further step needed to put the plan into full operation—as the republic had accepted the Council proposal immediately—is the naming by each government of its choice for the three-nation mediation commission. It is indicated from Jogjakarta and The Hague that choices will be, respectively, Australia and Belgium. Those two countries then will name the third.

Who's Who in China

GENERAL TENG HSI-HOU, army officer and Governor of Szechuen Province; born at Yinshan, Szechuen, 1889; graduated from Military School in Nanking and Military Officers' Academy of Paoting; returned to Szechuen as a training officer

General Teng Hsi-hou
(鄧錫侯字晉康)

and later became a divisional commander in Szechuen Army; made Brigadier-General in 1918; commander of 4th Szechuen Army, 1921; commander of 30th Division of National Army in Szechuen, 1923; participated in uprising against Yuan Shih-kai; Governor of Szechuen and director of Szechuen Bandit Suppression Headquarters; commander of 28th Nationalist Army, 1927; commander-in-chief of 7th Route Army, 1929; member of Szechuen Provincial Government and concurrently Commissioner of Civil Affairs of Szechuen, 1928-31; commander of 14th Route Nationalist Army, 1929; commander of 45th Army and commander-in-chief of 1st Route Suppression Army during campaign against Reds, 1934; first of the Szechuen army commanders to submit to the authority of National Government, for which he was awarded the order of highest merit and given the rank of full General, 1935; director of Military Reorganization in the 28th Army and concurrently field commander of 1st Route Army of Communist Suppression Forces, 1936, participated in the war against the Japanese in Suiyuan as vice commander of 6th Route Army Corps, which fought against the Japanese in Shantung, 1938; participated in the battle of Hsuchow, May 1938; after Marco Polo Bridge Incident, was appointed commander-in-chief of 22nd Army Group; Acting Governor of Szechuen Provincial Government, September 1946; now, Governor of Szechuen Province and concurrently Pacification Commander of Szechuen and Sinkiang, succeeding the late General Liu Hsiang; address: c/o Szechuen Provincial Government, Chengtu, Szechuen. Governor Teng's wartime speeches include 7 volumes of which the most widely known are: (1) Rear Defense in Szechuen and Sinkiang in eight years of Resistance War, (2) Three Peoples Principles vis-a-vis National Reconstruction by Resisting Aggression, (3), The Rightmindedness of Chinese People, and (4), Japan's Victory or Collapse and China's Destiny.

A clash between Communists and Fascists was reported in London last week. Mounted police were sent out to control the crowd gathered at the meeting of Sir Oswald Mosley's British Union of Fascists which now carries the name of British League of Ex-Servicemen.

What Chinese Papers Say

IN the course of the week, the Chinese press here commented on the repercussions of the Wedemeyer statement, the Rio conference, the problems of importation of goods, and other domestic and foreign policy problems.

* * *

RIO

THE *Shun Pao* commented on the speech delivered by President Truman on the conclusion of the Rio conference.

The paper said that although peace and security for the Western Hemisphere is a good thing, and a great achievement for U.S. diplomacy, if peace and security do not reign in Europe and the Far East then there will be no peace for the United States itself and the United Nations organization will suffer.

"From American diplomatic actions one is able to perceive that the United States persists in its policy of "Europe first, the Far East second. Although America is aware that the situation in the Far East is as critical as in Europe, it will still not extend the Truman Doctrine to these shores. There are still in existence people in the United States who feel that the defeated nation in the Far East should be helped to recover so that it can serve as a stabilizing force in the Far East. Not only will this wrong notion do harm to the other Far Eastern countries, but the United States itself will eventually suffer from its evil consequences," the *Shun Pao* warned.

* * *

STATEMENT

THE *Yi Shih Pao*, the Catholic Welfare Daily, presented in its editorial columns a study of the reactions to the Wedemeyer statement and a restatement of the paper's views.

"We wish to point out frankly that the Chinese press has found the Wedemeyer statement disappointing, that Chinese industrial, commercial and cultural circles have felt it regrettable, and that there is an extensive dissatisfaction with it among Chinese Government officials."

The general has had an especially bad impression of the Chinese Government saying that the situation is far worse than he had expected. This makes one feel that General Wedemeyer has been influenced by the propaganda of those who are opposed to the Government, the paper said.

In his statement, the general said no word about economic aid to China, but only expressed the hope that China would effect important reforms. This still represents the dilatory tactics which the United States has followed during the past year or so. Moreover, Wedemeyer thinks highly of Japan. "This is more or less due to his insufficient knowledge of China."

As special presidential envoy, Wedemeyer has issued an outspoken statement. This does not seem to be very appropriate. However, as a result of the fact finding mission we should wake up and be determined to work out our own problems.

"We must not in the least think of depending upon others any longer! The friendly nation which has given us only lip service is already arrogant enough, and we who have not received any actual benefits, already dread that friendly nation too much. We wish to ask the Government whether or not we really cannot work out our own problems," the paper concluded.

* * *

IMPORT PROBLEMS

THE *Ta Kung Pao* took up the problems connected with the relaxation of restrictions on imports financed by buyers' own foreign exchange reserves.

"All the measures taken in this line indicate that the Government is now strongly determined to make full use of our foreign exchange resources. However, due to the difference between the open market rate and the black market rate, it is still impossible for the Government to collect any gold or U.S. dollar notes, and as to reporting voluntarily to the Government foreign exchange assets abroad by their owners, this cannot be effectively carried out without the cooperation of the banks abroad. It seems to us that not all the problems connected with the relaxation of restrictions on imports financed by the buyers' own exchange have been considered.

The paper advocated that the problem of permitting foreigners to remit a portion of their earnings in China should be thoroughly analyzed; then, "besides strictly prohibiting the importation of luxury goods, we should also impose heavy import duties on inessential consumer goods, in order to protect domestic industries and to help them recover, to conserve our foreign exchange and to increase the government's revenue."

* * *

CIVIL WAR

STEM The Advance of the Bandit Troops, was the title of an editorial in the official *Chung Yang Jih Pao*.

The paper said that the "bandit-suppression" military activities in the Honan-Hupeh-Anhwei border region have already reached a tense stage. Having been attacked by the Government troops on all sides, the forces under the command of Liu Po-Cheng had to move and by the middle of August, succeeded in crossing the Lunghai Railway. Then, after traversing more than 300 li, they entered the Honan-Hupeh-Anhwei border region. By the later part of August they managed to reach the heart of the Tapi Mountains.

Now, the paper said, with their resources depleted and heavy casualties, the Communist troops are forced to remain in the mountain lair. But from the advances of these troops "we have learned a valuable lesson, i.e. that the bandit-suppression campaign should be a total one rather than a divided operation. There must be overall arrangements in connection with the offensive and defensive strategy. This experience should have made us realize that in order to stem the advances of the bandit troops, the organization and training of local self-defense forces must be improved," the paper concluded.

* * *

FOREIGN POLICY

AFTER reading Foreign Minister Wang's statement, the *Ta Kung Pao* said that according to Foreign Minister Wang the most important question at the next UN Assembly will be the veto question. In other words, because the United States desires to abolish the veto power, it proposes to revise the UN charter.

China's attitude to this problem should be that since this veto power is a prerogative with which the charter has vested the Big Four, China should prize it and to exercise it in a rational manner. When the Japanese question arrives on the agenda, this veto power will be of great importance to China. Not out of sympathy for Russia, but purely in the interests of China must we not consider the question of revisiting the charter and giving up the veto.

The paper interpreted Wang's statement that China would reexamine her attitude to the Japan peace parleys in connection with the USSR's refusal to attend the 11 nation conference, as an attempt to get Russia into the discussion of the problem, and praised the foreign minister for his good efforts.

* * *

PARTY POLITICS

THE *Chung Hwa Jih Pao*, Young China Party organ, commenting on the session of the party congress in Shanghai, said that the delegates decided that inasmuch as the Kuomintang had not fully carried out its part in the joint administrative program agreed upon with the Young China and the Democratic Socialists, a committee should be elected to continue negotiations with the KMT on the further democratization of the administration and the nationalization of troops, both of which are far from being realized.

The conference further decided to press for the early opening of the local administration, public opinion organs, and the military administrative agencies to minority parties and groups, and to devise measures to relieve the pressure of the local KMT, administrative and army authorities and to remove their discrimination against the latter.

"If these negotiations do not achieve satisfactory results, the Party will be obliged to withdraw all its personnel from the State Council, the various Yuans, and other government agencies, when required, the decision stipulated," according to the *Chung Hwa Jih Pao*.

NEW BOOKS OF INTEREST

A Route

A ROOM ON THE ROUTE: *A Novel by Godfrey Blunden. Published by Lippincott, Philadelphia,* 1947. 327 *pages.* U.S.$3.00. *Reviewed by F. M. Roberts.*

THIS perceptive novel of Moscow just before the British-American landing in North Africa might well be considered a companion piece for Kravchenko's well-known apologia and autobiography, I Chose Freedom, the book by a Soviet purchasing commissioner who "escaped" into U.S. life. Both incident and characters in the novel have their counterpart in Kravchenko's account of his personal and political life.

The novel uses an effective device to obtain a sense of reality. The different chapters carry forward or flashback the story through the minds of the different characters. This results in a group of novellas, but the integration of their stories is artistically sound.

One may be certain that any group of people brought together in a wartime Moscow apartment will have gathered there from an unbelievably diverse past. There is Rachel the Jewess, a former revolutionary from the Ukraine, whose memories returned to the First World War, the years of the Partisans and the Civil War, the hope of "an illimitable joyous future" under communism, work for the Comintern in Germany, the purging of the Old Bolsheviks. Then her story merges into that of her son Karl, taken when the German advance was too rapid from a labor camp to the Border Guard, composed of deserters and criminals. Karl, too, at last comes to a room on the Route for his final act of sacrifice and protest.

And there is the American girl Mary Anderson, born in Minnesota, never a Communist, who comes to Moscow with her Russian husband from New York. Mary's fears for her young sons who are to be sent away to trade schools and her futile attempt to move away from the Route lead to her entanglement in the very espionage system she abhors.

There are others, too—Lizavetta of the old nobility; Gregor of the NKVD; General Yakosovsky returned to service after four years imprisonment; Mitka, the peasant who begins and ends the story.

The stories and faiths of all of these, and others, are brought together by the apartment on the Route and by the American Ferguson, whose work in Russia is vague, but who has astonishing opportunity to keep the threads of the story patterned toward the inevitable conclusion. The Route itself become a symbol of the USSR. Straight and wide the Route leads directly to the Kremlin. Everyone who lives along this street is under guard of the police and must have a special stamp on his passport. The ramifications of this spirit creep into every episode of this well conceived book.

Correspondence

WARTIME CORRESPONDENCE BETWEEN PRESIDENT ROOSEVELT AND POPE PIUS XII. *With an introduction and explanatory notes by Myron C. Taylor, Personal Representative of the President of the United States of America to His Holiness Pope Pius XII. The Macmillan Company, New York.* 1947. 127 *pages.* U.S.$2.50. *Reviewed by Donald Roberts.*

THERE are different kinds of piety, as of policy, and quite likely the appearance of this wartime correspondence, bound in red buckram, with a preface by President Truman, on the eve of an election year, indicates political piety and political acumen. The note throughout is the harmony of relations between a president, who—let us say—happened to be of the Democratic Party, and the Pope, who speaks for all Catholics. Myron C. Taylor, personal representative of President Roosevelt to Pope Pius, is an Episcopalian as was President Roosevelt, but from 1939 to 1945 he was received by the Pope with great friendliness. This book is made up of the correspondence in which Mr. Taylor was intermediary. The first letter is President Roosevelt's of December 23, 1939, offering and asking cooperation in "parallel endeavors for peace and the alleviation of suffering." There is sincerity in the expressed desire of both participants to uphold the Christian foundation of western civilization, actually from the fascist right, ideologically from the communist left. The Encyclical of Pope Pius XI in 1922 condemned atheistic communism, forbade collaboration with it.

Reference to Russia is therefore of interest in this book. President Roosevelt wrote in his letter of September 3, 1941: "In my opinion, the fact is that Russia is governed by a dictatorship as rigid in its manner of being as is the dictatorship in Germany. I believe, however, that this Russian dictatorship is less dangerous to the safety of other nations than is the German form of dictatorship....I believe that the survival of Russia is less dangerous to religion, to the church as such, and to humanity in general, than would be the survival of the German form of dictatorship."

An interesting parallel to President Roosevelt's view thus expressed may be found in the articles in *Osservatore Romano,* the Vatican newspaper, of only last month, in which the Vatican policy to the Soviets is seen to have been modified. Speaking of the present tension, and talk of "inevitable conflict" between the Russian and Anglo-Saxon world, that paper comments: "This belief in a psychology of aggression does not seem to be objective. Neither do the similar reasonings of the Soviets on what they consider Anglo-Saxon imperialism." War is not inevitable. It has never been. It is only inevitable in that peace may be impossible in the face of a belief that war must come. These comments illustrate the "vital law of continuous adaptation" by which papal policy is guided. But our interest is for the moment on President Roosevelt. Gradually a picture of his presidency is emerging. It is evident from *Wartime Correspondence* that he was a man of statesmanship and of deep religious faith.

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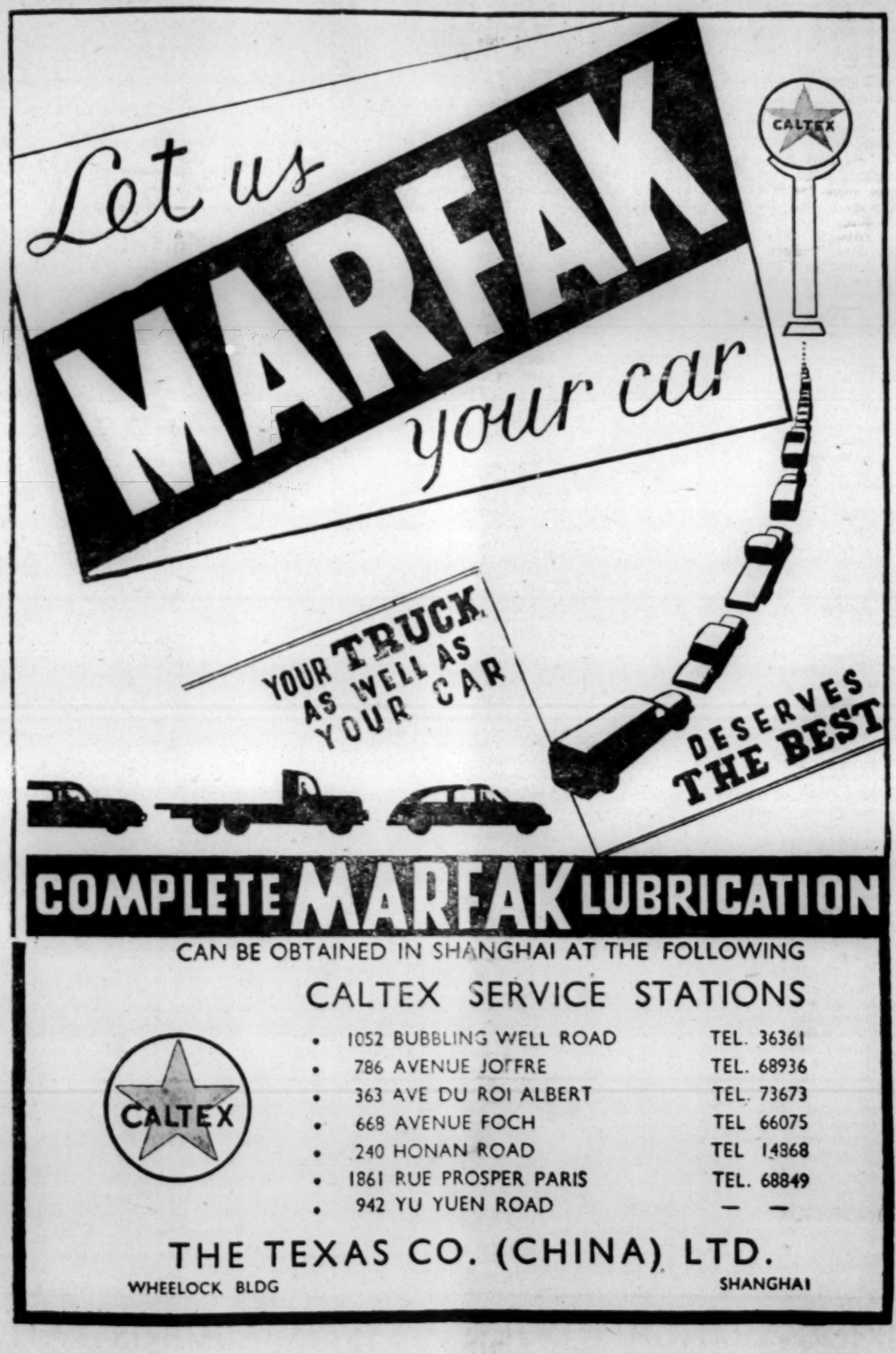

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NANKING-SHANGHAI LINE
TIME TABLE

72	4	76	6	8	78	2	10	12	16	TRAIN NO.	1	5	15	7	71	3	9	11	75	77
"Tai Hu" Express	I, II Triumph Exp.	II, III Local	I, II III Exp.	I, II Exp.	II, III Local Exp.	I, II Nanking Throu. Exp.	I, II III Night Exp.	I, II Night Exp.	I, II III Night Exp.	STATIONS	I, II Hangchow Throu. Exp.	I, II III Exp.	I, II III Exp.	I, II Exp.	"Tai Hu" Express	I, II Triumph Exp.	I, II III Night Exp.	I, II Night Exp.	II, III Local	II, III Local Exp.
8.30	7.00	7.30	9.00	11.00	12.15	13.30	21.50	23.00	23.30	D SHANGHAI NORTH A	14.45	16.25	18.25	19.35	22.20	22.45	6.35	8.00	10.25	17.10
		8.55	10.16	12.14	13.48		23.27		0.56	D KUNSHAN D		15.24	17.09	18.22			5.28		8.34	16.05
10.13	8.41	9.42	10.57	12.57	14.29	15.17	0.20	1.06	1.43	A	13.06	14.33	16.23	17.36	20.31	21.06	4.39	5.39	7.10	15.19
10.18	8.48	9.49	11.08	13.04	14.36	15.26	0.27	1.13	1.55	D SOOCHOW A	12.59	14.19	16.17	17.23		20.58	4.32	5.19	7.04	15.09
11.10	9.36	10.45	11.57	13.55	15.35	16.14	1.22	2.08	2.50	A	12.11	13.24	15.14	16.29	19.35	20.10	3.39	4.26	6.00	14.10
	9.42		12.06	14.02		16.23	1.29	2.15	3.00	D WUSIH A	12.04	13.18	15.08	16.21		30.03	3.33	4.19		
	10.31		12.59	15.03		17.09	2.27	3.13	4.05	A	11.17	12.22	14.05	15.20		19.16	2.35	3.30		
	10.40		13.08	15.15		17.19	2.37	3.25	4.13	D CHANGCHOW A	11.06	12.09	13.55	15.08		19.06	2.24	3.20		
	11.38		14.00	16.13			3.56	4.29	5.16	A		11.09	12.41	14.05		18.12	1.07	2.03		
	11.41		14.03	16.17			4.00	4.33	5.20	D TANYANG A		11.05	12.37	13.55		18.03	1.02	2.00		
	12.18		14.40	17.01		18.46	4.46	5.18	6.02	A	9.32	10.28	11.44	13.07		17.23	0.09	1.07		
	12.25		14.45	17.17		18.53	4.55	5.27	6.09	D CHINKIANG WEST A	9.24	10.21	11.38	12.59		17.15	23.56	1.00		
	13.55		16.10	18.50		20.20	6.30	7.15	7.50	A NANKING D	8.00	9.00	10.00	11.00		15.45	22.00	23.00		

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SHANGHAI N. TO:—										
KUNSHAN	52	16,000.	24,000.	8,000.	12,000.	4,000.	6,000.			
SOOCHOW	87	24,000.	32,000.	12,000.	16,000.	6,000.	8,000.	78,000.	46,000.	78,000.
WUSIH	129	40,000.	48,000.	20,000.	24,000.	10,000.	12,000.	78,000.	46,000.	86,000.
CHANGCHOW	168	48,000.	64,000.	24,000.	32,000.	12,000.	16,000.	78,000.	46,000.	
TANYANG	213	64,000.	80,000.	32,000.	40,000.	16,000.	20,000.	96,000.	56,000.	
CHINKIANG WEST	243	72,000.	88,000.	36,000.	44,000.	18,000.	22,000.	106,000.	62,000.	
NANKING	312	72,000.	88,000.	36,000.	44,000.	18,000.	22,000.	106,000.	62,000.	

SHANGHAI-HANGCHOW LINE
TIME TABLE

23	21	61	67	25	1	41	27	TRAIN NO.	24	42	2	68	26	22	62	28
I, II III Exp.	West Lake Exp.	II, III Ord.	IV Mixed	I, II III Exp.	I, II H'chow Throu. Exp.	II, III Ord.	I, II III Exp.	STATIONS	I, II III Exp.	II, III Ord.	I, II N'king Throu. Exp.	IV Mixed	I, II III Exp.	West Lake Exp.	II, III IV Ord.	I, II III Exp.
6.45	8.00	8.15		11.30	16.00	16.15	22.45	D SHANGHAI NORTH A	9.15	12.15	12.35		18.55	20.05	22.30	23.30
7.05	8.16	8.36	9.00	11.53	16.19	16.36	23.06	D SHANGHAI WEST D	8.58	11.55	12.20	17.20	18.37	19.49	22.13	23.12
7.49		9.46	10.29	12.38	17.03	17.46	23.50	A	7.51	10.44	11.26	15.29	17.48		21.00	22.16
7.54		9.56	10.40	12.43	17.08	17.51	23.55	D SUNGKIANG A	7.47	10.38	11.21	15.22	17.39		20.54	22.11
9.02	10.02	11.40	12.50	13.50	18.16	19.23	1.06	A	6.35	9.04	10.13	13.10	16.20	17.54	19.25	21.00
9.16	10.08	11.50	13.15	13.58	18.26	19.33	1.16	D KASHING A	6.28	8.55	10.04	12.45	16.11	17.47	19.12	20.50
10.00		12.33	14.52	14.32	19.01	20.16	1.50	D YEHZAH D	5.56	8.14	9.31	11.53	15.39		18.29	20.18
10.31		13.18	15.56	15.04	19.32	21.01	2.21	A	5.23	7.27	8.58	10.40	15.06		17.42	19.34
10.36		13.26	16.10	15.11	19.37	21.06	2.26	D CHANGAN-TSENG A	5.19	7.22	8.54	10.27	15.02		17.37	19.27
11.30	11.55	14.45	18.10	16.20	20.30	22.20	3.25	A HANGCHOW D	4.25	6.10	8.00	8.30	14.00	16.00	16.25	18.25

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"West Lake" Express
SHANGHAI N. TO:—										
SUNGKIANG	45	16,000.	24,000.	8,000.	12,000.	4,000.	6,000.	78,000.	46,000.	
KASHING	99	32,000.	40,000.	16,000.	20,000.	8,000.	10,000.	78,000.	46,000.	78,000.
YEHZAH	126	40,000.	48,000.	20,000.	24,000.	10,000.	12,000.	78,000.	46,000.	
CHANGANTSENG	151	48,000.	64,000.	24,000.	32,000.	12,000.	16,000.	78,000.	46,000.	
HANGCHOW	190	48,000.	64,000.	24,000.	32,000.	12,000.	16,000.	78,000.	46,000.	86,000.

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